

Modelling Accountability: A Thick Interactive Approach to Transparency and Participation in Voluntary Organisations

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Abstract

This thesis offers a systematic study of accountability in the voluntary sector. Existing studies of accountability tend to veer towards normative and prescriptive analyses, which fail effectively to model accountability mechanisms. They do not test the relationships between the diverse variables that can explain practices of accountability in voluntary organisations. Equally, they typically promote what I term ‘thin’ conceptualisations of accountability, either privileging the dimension of transparency or that of stakeholder engagement. Adding to such studies, this thesis develops a ‘thick’ account of accountability practices which brings together these two privileged dimensions, transparency and stakeholder engagement, in a hybrid model that breakdowns stages, levels, and mechanisms of stakeholder engagement. In so doing, it not only tests the validity of this innovative model of accountability across the voluntary sector, but also enables lessons to be drawn as to the significance of different practices of transparency and stakeholder engagement, how these dimensions interact, and the impact of variables such as organisational size, affiliation, levels and sources of income and policies and practice guidelines on accountability.

Through the quantitative analysis of an original survey of voluntary organisations in England and Wales prior to austerity, the thesis draws attention to the inconsistent practices of transparency and stakeholder engagement across the sector. In so doing, it throws doubt on the narrative of organisational fixes, suggesting that there is no identifiable nor significant trend in the relationship between organisational affiliation, age, and size and practices of accountability. More importantly, the study foregrounds the complex interactions of policy and practice, shedding doubt on whether policies or the existence of a formal policy actually matters in terms of explaining practices of accountability. It reveals the complexity surrounding policy and practice when considering participation or transparency. On the one hand, the existence of a formal policy did not lead to any significant improvement in levels of stakeholder engagement and participation. But the existence of guidelines on how to action the policy did impact significantly on participation and engagement practices. On the other hand, as for transparency policies, the existence of procedures and guidelines of transparency policy impacted positively upon levels of transparency. But having simply a policy in place appeared to impact negatively on levels of transparency. And finally, policies and procedures in stakeholder participation and engagement appeared to be more effective at improving transparency than transparency policies and practices.

Finally, the study raises the importance of ‘accounting for accountability’ through recourse to ‘thick’ interactive models of accountability, which combine levels of transparency and participation in one hybrid model. Combining transparency and engagement, the study demonstrates, is statistically proven to explain a higher level of accountability in the voluntary sector. The ‘thick’ hybrid model of accountability thus opens up new avenues for exploring accountability.

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CHAPTER ONE

ACCOUNTABILITY AND VOLUNTARY ORGANISATIONS

In the last thirty years, from attempts to bring about the mixed economy of welfare onwards, successive governments have taken a serious look at the role that voluntary organisations or the third sector can play in the provision of public services. Contractual relations between the state and the voluntary sector have grown in significance, as large voluntary organisations have taken shape on the back of their predominant positions in service delivery markets. Voluntary organisations have become in many fields one of the prominent providers of public services acting as replacements or supplements for government providers. In the aftermath of the financial crash in 2008, voluntary organisations were in many ways seen as a source of greater efficiency, with government seeking to build the capacity of the sector in order to deliver services whilst simplifying the outsourcing of services from the public sector.

The Conservative and Liberal Democratic Coalition government's short-lived vision of a 'Big Society' in 2010 called for public service providers to be replaced with a variety of private and voluntary organisations (Purkis, (2011). Conservative thinking viewed the voluntary sector as underused, undervalued but importantly already over-regulated or controlled like a mini-public sector caught within a net of bureaucratic controls (Macmillan, 2010 p.8). Yet, at the same time, its call for the development of a Big Society was part and parcel of a move towards austerity that, while advancing the role of voluntary organisations, imposed severe cuts to public funding, particularly local government, and threatened the very existence of voluntary groups which had in some cases become overly dependent on state funding and grants. As such, austerity appeared to confirm concerns

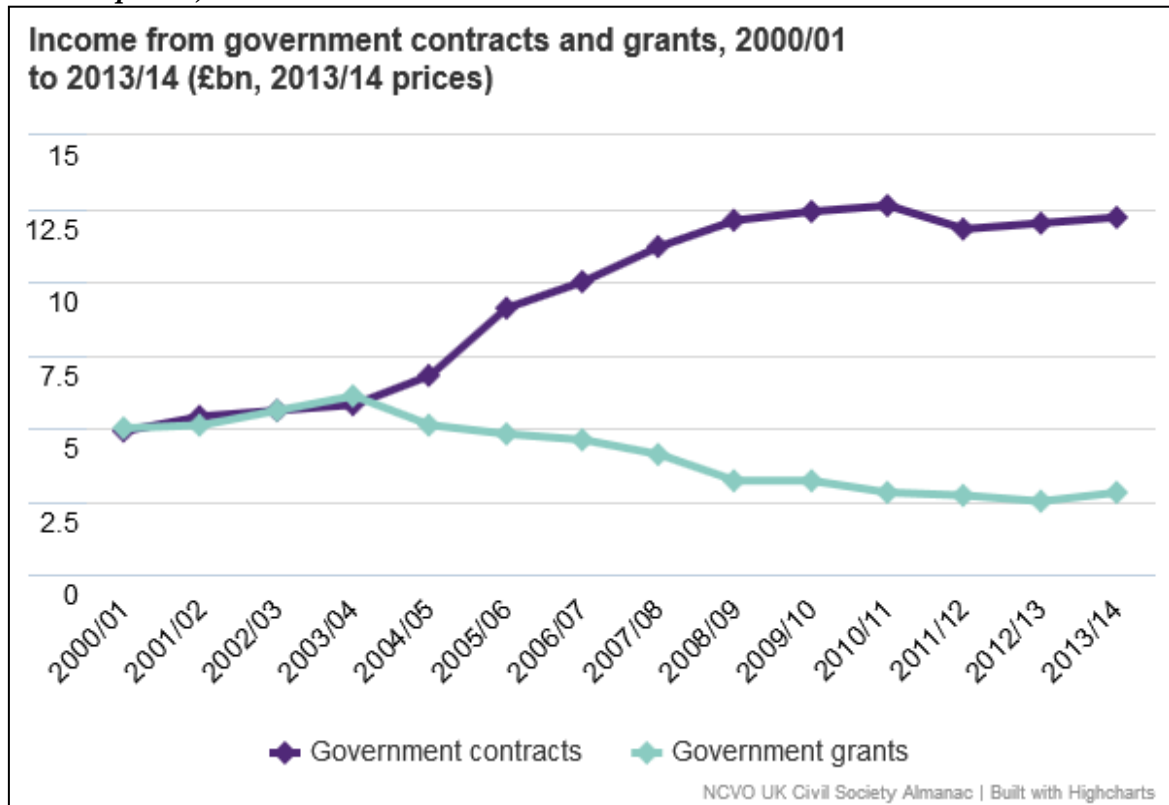
across the voluntary sector that increasing involvement in delivering public services might undermine its independence, increase bureaucracy and regulations, and lead to part of the sector becoming a shadow state services imposing cutback management on local communities (Macmillan, 2010).

The increasing involvement of voluntary and community organisations in the delivery of state-funded services has created tensions, growing concerns over accountability and regulation within the sector. On the one hand, voluntary organisations have always faced the challenge of convincing stakeholders, particularly donors, that their cause is worthy and trusted, and that their promises and claims are well taken care of and supported. Stakeholder engagement is for this reason often fundamental as a key mechanism for trust in decision-making process across the sector (NCVO, 2004; Jepson 2005; McCambridge, 2004). But, on the other hand, as Bolton (2005, p.2) has claimed, as the state has drifted away from direct service provision 'to ensuring that these [services] are provided, so the focus of regulation has shifted from relatively simple questions of probity to more complex questions of performance.' As such, accountability practices within voluntary organisations have had increasingly to accommodate competing challenges, associated with both engagement and transparency, posing new questions over to whom they are accountable, and for what.

Questions of accountability have at times become embroiled with concerns over trust and confidence about whether the sector is able to provide a high level of accountability and transparency in their operations (Kendall and Knapp, 1996; Cairns et al., 2005; Wenar, 2006; Raynard, 2000; Slim, 2000; Leat, 1996). Significantly, Gibelman and Gelman (2001, 2004), in their study of scandals in the voluntary organisations in the UK and USA,

argued that the wrongdoers were board members and chief executives, drawing attention to the relative capacity of the strategic apex within voluntary organisations to ensure adequate practices of oversight. However, understanding accountability practices in the voluntary sector poses a number of difficulties. The sector is incredibly diverse, bringing about a range of economic and social contributions. It also draws upon a whole set of different streams of funding, each with its particular rules, engagements and expectations, as well as multiple sets of stakeholders. In 2007 to 2008, before the onset of austerity measures across British society, the voluntary sector amounted to a workforce of 668,000 and controlled assets worth £97 billion. It had an income of £36 billion, with 37 per cent of total income derived from direct donations from the public (individuals), and 36 per cent from government sources (UK Civil Society Almanac, 2010). Government contributions were split relatively evenly between contracts and grants, 49 per cent compared to 51 per cent respectively. Over the next decade the trend in the proportional structure of the government's contribution to the sector changed dramatically (see Figure 1.1), with contracts replacing grants as the dominant funding mechanism. By 2013/14 government's grants had declined to just 19 per cent of total funding, and approximately half of this grant funding came from the European Union (EU). As for government contracts, they had grown in significance to account for 81 per cent of the total government contribution to the sector (UK Civil Society Almanac, 2016). In terms of the overall proportion of funding to the voluntary sector, the contribution of government has remained relatively stable, standing at 34 per cent in 2013/14. However, the mechanism of that funding has been transformed, with a clear push towards contracts over grants.

Figure 1.1: Income from government contracts and grants, 2000/01 to 2013/14 (£bn, 2013/14 prices)



Source: the UK Civil Society Almanac 2016

In addition to changes to funding regimes, accountability within voluntary organisations differs from other accountability types in other organisational contexts across both the private and the public sectors. Unlike business organisations, voluntary organisations have no shareholders nor do they distribute profits. Members of their board of governance are more aptly considered to be stakeholders and they are unpaid. Unlike many public sector organisations, voluntary organisations have boards that are not democratically elected or appointed, or even responsible to the community as a whole (Leat, 1996; Kendall and Knapp, 1996; Jepson, 2005). They are unique because the basis of their practices of accountability lies in the way they manage their relationships with stakeholders. This type of accountability states that the power is shared between the organisation and its

stakeholders (Unerman and O'Dwyer, 2006b; Kendall and Knapp, 1996; Jordan, 2005; Leat, 1988).

Such sharing of power in principle creates tensions between downward accountability and upward accountability. Downward accountability means accountability to beneficiaries, whilst upward accountability refers to accountability to donors. They encapsulate different models of accountability. Upward accountability tends to be understood through the principal-agent perspective which employs managerial/technical approaches to serve the needs of donors in relation to beneficiaries (Leat, 1988; Wallace and Chapman, 2003; Ebrahim, 2003; Townsend and Townsend, 2004). These managerial and technical approaches do not account for broader perspectives of 'giving account' in which beneficiaries, and other stakeholders, have the right to hold voluntary organisations accountable for their actions. However, this broad perspective of accountability is, arguably, much more relevant to the way voluntary organisations are governed (Unerman and O'Dwyer, 2006b; Wallace and Chapman, 2003; Neligan, 2003; Blagescu et al. 2005).

Against this background of complexities and tensions, this thesis offers a systematic study of accountability in the voluntary sector. Existing studies of accountability tend to veer towards normative and prescriptive analyses, which fail effectively to model accountability mechanisms. They do not test the relationships between the diverse variables that can explain practices of accountability in voluntary organisations. Equally, they typically promote what I term 'thin' conceptualisations of accountability, either privileging the dimension of transparency or that of stakeholder engagement. Adding to such studies, this thesis develops a 'thick' account of accountability practices which brings together these

two privileged dimensions, transparency and stakeholder engagement, in a hybrid model that breakdowns stages, levels, and mechanisms of stakeholder engagement. In so doing, it not only tests the validity of this innovative model of accountability across the voluntary sector, but also enables lessons to be drawn as to the significance of different practices of transparency and stakeholder engagement, how these dimensions interact, and the impact of variables such as organisational size, affiliation, levels and sources of income and policies and practice guidelines on accountability.

At the heart of the thesis sits the quantitative analysis of an original survey of voluntary organisations in England and Wales and their practices of transparency and stakeholder engagement. In keeping with a post-positivist perspective, it adopts a cross-sectional methodology that measures multiple variables so as to critically examine the relationships between these different variables. The survey design aims to identify the primary organisational and governance factors that determine accountability practices and to subsequently evaluate their explanatory power in relation to the innovative model of accountability advanced in the thesis. These latter objectives are important to note. The thesis seeks ultimately to test a model of accountability rather than report on existing practices of accountability in the voluntary sector. Its sample of survey returns predates the waves of austerity and public spending cuts since 2010. Thus, whilst the sample returns and the analysis can be used, as it is here, to validate new models of accountability, it acts as an important evidence-base of accountability practices before austerity. It thus provides a valuable dataset upon which to base future studies into the impact of austerity on the voluntary sector and accountability, as well as setting out key lines of inquiry and potential hypotheses for such studies.

Against this background, I set out below the research questions that informed the study, then briefly establish its main findings and contributions before turning to an outline of the organisational structure of the thesis.

1.1 RESEARCH QUESTIONS

Reflecting the objective of the thesis to systematically test a novel model of accountability across voluntary organisations, the overarching research questions of the study are:

1. How can accountability in voluntary organisations be best understood?
2. What is an appropriate model of accountability for voluntary organisations?
3. What variables have the highest explanatory power in relation to accountability practices within voluntary organisations?

The aim of the study in adopting a postpositivist perspective was to measure multiple variables and test a ‘thick’ model of accountability that brings together the two dimensions of transparency and stakeholder engagement. In line with this aspiration, and more specifically, from the three research questions established above, a set of research propositions were developed. They are summarised here:

- A. Examining the relationship between the two dimensional framework of accountability and multiple formal variables:

There is a relationship between the accountability framework and the

- i. Existence of policy on participation.
- ii. Existence of participation policy guidelines.
- iii. Existence of policy on transparency.
- iv. Existence of transparency policy guidelines.

- v. Existence of code of board practice.

B. Examining the relationship between the two dimensional framework of accountability and board functions:

There is a relationship between the accountability framework and

- i. Managerial oriented board.
- ii. Strategic oriented board.

C. Examining the relationship between the two dimensional framework of accountability and variables within board structure.

There is a relationship between the accountability framework and

- i. Board size.
- ii. Number of board committees.

D. Examining the relationship between the two dimensional framework of accountability and organizational characteristic variables:

There is a relationship between the accountability framework and

- i. The size of voluntary organisations in terms of annual income.
- ii. Source of income.
- iii. The age of voluntary organisations.
- iv. Affiliation within a regulatory body or network.

1.2 UNDERSTANDING ACCOUNTABILITY: FINDINGS AND CONTRIBUTIONS

In testing these research propositions, the thesis tests an innovative ‘thick’ model of accountability, as well as generating an evidence-base of accountability practices across

the voluntary sector before the full onset of the austerity measures put in place by the Conservative government from 2010. Broadly speaking, it makes five contributions to existing knowledge, challenging many of the conventional understandings of the effectiveness of voluntary sector organisations in terms of practices of transparency and stakeholder engagement. Firstly, it reasserts and confirms that before austerity the practices of transparency across the voluntary sector were at best patchy and inconsistent. Importantly, the study suggests that even if an organisation replicated one practice of transparency, this did not necessarily lead it to replicate other practices of transparency, leading to the availability of uneven information for stakeholders. 53% of respondents did not have a transparency policy in place.

Secondly, the thesis draws attention to the equally inconsistent practices of stakeholder engagement. Most notably, voluntary organisations' own staff and employees appeared to be more engaged than other stakeholder groups and beneficiaries, suggesting an inward-looking bias across the sector. At the same time, involvement of beneficiaries was often on the lower levels of the participatory ladder of engagement (Arnstein, 1969). There was an inconsistent set of practices across the three elements of the participation processes studied: stages of engagement; influence on decisions; and mechanisms. These three elements were often operating at different and incompatible levels, such that the engagement of stakeholders in for example decision-making did not match the level of influence over decisions nor the mechanisms used for that engagement.

Thirdly, the thesis throws doubt on the narrative of organisational fixes that suggest that different sectors are characterised by different logics or qualities. These narratives propose

that the transfer of service delivery from one sector to another will improve outcomes due to some inherent characteristics of each sector, be it the private sector being more competitive or the voluntary sector being more accountable and responsible to users. This study makes no such comparative analyses. But, this narrative of organisational fixes has also been applied to the size of organisations (the larger the better), their affiliation (best to operate as part of a group) and levels and sources of income (more income and more government income increases resources for, and expectations of, accountability procedures). Here the thesis suggests in relation to transparency and stakeholder engagement and participation, there is no identifiable nor significant trend in the relationship between organisational affiliation, age, and size and practices of accountability. This is no 'organisational fix' that comes from transferring services to the voluntary sector, at least in terms of accountability.

The study does suggest that organisation respondents with higher reliance on government grants and funding had a higher level of transparency, although more reliance on trading activities appeared to have a negative impact on how organisations engaged with practices of transparency. Equally, affiliation, organisational age and level of income had differential impacts on practices, depending on whether it was level of engagement, stage of engagement or mechanism of engagement. However, in contrast to practices of transparency, and broadly speaking, sources of income, whether governmental, private or trading, did not appear to have any consistent impact on the three dimensions of participation. Rather than an organisational fix, the study identifies the complexity of accountability practices across organisations, surfacing a mixture of organisational 'goods' and 'bads' in terms of how organisational variables impact on accountability.

Fourthly, the study foregrounds the complex interactions of policy and practice, shedding doubt on whether policies or the existence of a formal policy matters in terms of explaining practices of accountability. The study confirmed that having a policy did not mean that it was implemented in practice. The complexity surrounding policy and practice differed according to whether participation or transparency was being considered. On the one hand, the existence of a formal policy did not lead to any significant improvement in levels of stakeholder engagement and participation. But the existence of guidelines on how to action the policy did impact significantly on participation and engagement practices. On the other hand, the existence of procedures and guidelines of transparency policy impacted positively upon levels of transparency. But having simply a policy in place appeared to impact negatively on levels of transparency. And finally, policies and procedures in stakeholder participation and engagement appeared to be more effective at improving transparency than transparency policies and practices.

Finally, the study raises the importance of ‘accounting for accountability’ through recourse to ‘thick’ interactive models of accountability, which combine levels of transparency and participation in one hybrid model. Combining transparency and engagement, the study demonstrates, is statistically proven to explain a higher level of accountability in the voluntary sector. The ‘thick’ hybrid model of accountability thus opens up new avenues for exploring accountability. However, the implications of these main messages for practice will be considered in the conclusion, and I will discuss further how the findings of the thesis challenge many widely-held conventions of the practices of accountability across the voluntary sector. With this initial framing of the contribution of the study in mind, let us now turn to the structure of the thesis and how its contribution unfolds.

1.3 THE STRUCTURE OF THE THESIS

The thesis is divided into two main sections. The first section engages with the theoretical and methodological foundations of the study. The second section analyses the survey returns and the data generated by the study, drawing out the lessons for research and understandings of the practices of accountability. Chapters Two and Three bring together the hybrid model of ‘thick’ accountability, which seeks to better understand accountability practices of transparency and engagement across voluntary organisations. Chapters Four, Five and Six present the data generated (Chapter Four) and the result of the quantitative analysis of the sample returns, both the cross-tabulation of organisational variables (Chapter Five) and the regression analysis (Chapter Six) undertaken as a result.

More specifically, Chapter Two examines existing approaches to accountability, drawing out the complexities of evaluating accountability and the limits to ‘thin’ accounts that privilege one dimension of accountability practices over another. In response, it sets out the hybrid or ‘thick’ model which is tested in the empirical chapters of the thesis. Chapter Three subsequently explores the research strategy underpinning the thesis, discussing the methodological and epistemological commitments of post-positivism before turning to the design and implementation of the survey that informs the study. Chapter Four reports on the sample returns, setting out the responses of organisations to the core areas of organisational capabilities, governance issues, transparency and stakeholder engagement practices. Chapter Five then subjects the findings of the survey to a series of cross-tabulations, exploring the impact of organisational capabilities or characteristics on the practices of transparency and stakeholder engagement. Chapter Six offers a focused analysis of the impact of policies on such practices, using regression analysis to explore

how the likes of policies and codes of governance shape transparency and stakeholder engagement. In so doing, it also examines the explanatory capacity of the ‘thick’ model of accountability presented in Chapter Two to understand practices of accountability.

Finally, Chapter Seven concludes the thesis, providing the reader with an overview of the findings of the study. It establishes the main lessons that can be drawn for the policies and practices of accountability in voluntary and community organisations, while suggesting future lines of research and investigation. I now turn to Chapter Two and the construction of the ‘thick’ model of accountability, which provides the foundation of the empirical inquiry of the thesis.

CHAPTER TWO

ACCOUNTING FOR ACCOUNTABILITY IN THE VOLUNTARY SECTOR

Accountability like so many issues in the social sciences remains a contested and problematic concept, used to describe an increasingly wide range of relationships (Ebrahim 2003a, 2003b, 2005; Blagescu et al., 2005). Much depends on the theoretical perspective through which it is analysed, as well as the sector under consideration, be it the public, private or third sector (Jepson, 2005; Kovach et al., 2003; Leat, 1988, 1996, 1994; Jordan 2005; Mulgan, 2001; NCVO, 2004). For many, empirical research into the field of accountability is hampered by this absence of any general consensus in the literature on the meaning of accountability (Brandsma, 2013). The vast literature on accountability tends nonetheless to focus on four main questions: what does accountability mean?; accountability to whom?; accountability for what?; and how do organisations practice accountability? However, empirical studies, both qualitative and quantitative, of the practice of accountability, particularly within voluntary organisations, remain relatively under-developed (Ebrahim, 2010; Boven, 2010; Willems and Van Dooren, 2012). At the same time, the relationship between transparency and accountability has not been subjected to extensive empirical research (Brandsma and Schillemans, 2012). They supported the idea that the literature on accountability has been mainly prescriptive or descriptive and there is not much known about how accountability works in practice. Much of the literature still focuses on finding appropriate definition and understanding to the concept of accountability (Brandsma and Schillemans, 2012). Most studies tend to be limited to offering prescriptive and descriptive accounts rather than empirical analysis of accountability in operation, focussing on determining appropriate

definitions and conceptual clarifications (Brandsma and Schillemans, 2012). There are few studies that test the relationships between different variables in order to model effectively the mechanisms of accountability.

This chapter addresses this lacuna in existing studies, advancing a model for measuring and capturing voluntary organisations accountability in practice. Section 2.1 I critically assesses understandings of accountability, drawing out debates over accountability and responsibility. Section 2.2 reviews mechanisms for delivering accountability. Section 2.3 subsequently argues that narrow models of accountability fail to account for the multiple stakeholders that might be affected by the actions of organisations. In contrast, in section 2.4 I suggest that rival broad perspectives of accountability acknowledge the multiplicity of stakeholders, but fail to model fully how transparency affects levels of accountability in organisations. Against this background, section 2.4 turns to the construction of a hybrid model of the practices of accountability, which brings together the insights of both narrow and broad perspectives of accountability by aggregating together the dimensions of transparency and participation. In so doing, I rethink understandings of transparency and participation so as to anticipate the hybrid model of accountability advocated in this thesis.

2.1 ACCOUNTABILITY AS A CONTESTED CONCEPT: BETWEEN ACCOUNTABILITY AND RESPONSIBILITY

Organisational accountability has continued to become more and more important issue since the mid-1990s. Issues such as globalisation and the introduction of mixed economy concepts have led governments to contract out much of public services to the private and third sectors.

Incidents of financial scandals and misappropriation of public money by organisations from both sectors, and the increase in public awareness regarding issues such as environmental protection and social sustainability, have all transformed the way organisations in general think about and react to the issue of accountability. Hence the accountability environment in which voluntary organisations operate has become very complex. Voluntary organisations in recent years find themselves accountable to many stakeholders for many issues. As Gregory (2007, p. 348) states:

One size does not fit all, and there can be no last word written on these complex issues. The last decades of the twentieth century saw a widespread shift to the contractual 'out-sourcing' of public goods and services; the adoption of market and quasi-market approaches to service delivery; [...] the general emergence of what has been referred to as the 'shadow state' or the 'hollow state' [...] The growth of discretionary authority has demanded increasingly higher levels of responsible action in the exercise of public power. But reliance on formal accountability procedures, essential as they are, is unlikely to guarantee these levels. Reliance on them alone will diminish rather than enhance them. New, more positive arrangements and expectations need to be established.

The classic common understanding of organisational accountability is that it reflects a relationship between two parties, where one party has the responsibility to explain or justify actions to the other party (Edwards and Hulme, 1996a, 1996b; Najam, 1996b; Unerman and O'Dwyer, 2006a, 2006b; Leat, 1988, 1996; Ebrahim, 2003a, 2003b, 2005; NCVOs, 2004). However, as Bovens (2010) points out, this is but one dimension of accountability, which privileges accountability as a functional mechanism governing relations between institutions or individuals. He also draws attention to an alternative dimension, that of accountability as virtue, which treats accountability as a property of individuals or institutions and associates it with such concepts as responsiveness or transparency. This recognition of the multiple dimensions of accountability points to the complexity of accountability in practice. Leat (1988) for example argues that voluntary organisations are accountable to multiple

stakeholders rather than to a single authority which makes accountability in the voluntary sector somewhat specific and different to the classical idea of accountability. Furthermore, multiple stakeholders have different accountability needs and demands, which may hinder setting general accountability standards such as measurable performance indicators (Mulgan, 2001).

This recognition of the complexity introduced into practices of accountability by multiple stakeholders has provoked varied responses. For example Thomas (2014) argues that widening the concept of accountability to include all stakeholders who are affected by an organisation's actions makes accountability a very elastic concept. It loses analytical purchase as it is applied more and more loosely to a wide variety of situations. Proponents of Thomas's view prefer to keep the classical definition of accountability in order to avoid it being confused with what they argue is a different but related concept of responsibility (Salminen and Lehto, 2012 and Gregory, 2009). They argue that accountability should be used to describe formal and structured relationships based on external scrutiny of actions where (i) expectations are identified formally so that an organisation has to provide a satisfactory level of transparency in relation to those expectations, (ii) the principal must be specified, and (iii) the principal has the right and the capacity to impose sanctions and rewards on the agent. The sanctions involved should be relatively tangible and immediate (Leat, 1988). In this view widening the concept of accountability is problematic, since not all those who might be affected by an organisation's actions have strong sanctioning power under requirement (iii) (Salminen and Lehto, 2012).

Those who argue for a clearly drawn distinction between accountability and responsibility typically argue that responsibility refers to relationships based on morals and ethics (Gregory,

2007). Gregory claims that the two words, accountability and responsibility, are frequently used as if they were synonymous. He states that accountability “is a matter of political and organisational housekeeping, whereas responsibility is about moral conflicts and issues of life and death” (Gregory 2007 p.340). According to Gregory, responsibility involves an internal moral choice whereas accountability implies external standards and monitoring and does not apply in situations where the agent acts solely on the basis of their personal judgement. Similarly Mulgan (2000) concludes that when someone acts on their own values and out of free choice this should be called responsibility. While Mulgan acknowledges that the two concepts are linked, and holding someone to account usually implies that they are responsible for their actions, he argues that the linguistic roots of responsibility are entwined with the notion of a response or need to respond, and someone who chooses to respond can be praised or blamed for their actions but are not necessarily required to give an account of them (Mulgan, 2000).

Against this background, Gregory (2007) argues that accountability in political and bureaucratic domains revolves around the notion of answerability to constituents. This helps to secure control and provide assurance to voters, and is a necessary component of responsibility. He argues that responsibility is about the moral obligation to answer, and answer honestly. This view conforms to Mulgan’s argument that responsibility is to be understood as the internal aspect of accountability which deals with ethics and moral obligations of the accountor towards the accountees (Mulgan, 2000). Supporters of the classical view of accountability thus acknowledge the difficulty of maintaining the definition of accountability, as distinct from responsibility (Gregory, 2007 and Thomas, 2014). Such concerns are tied to their acceptance that the environment in which accountability takes place is inter-dependent, devolved, and deregulated. In this context they recognise that developing

appropriate accountability mechanisms may lead to alternative ways of thinking about accountability (Gregory, 2007 and Thomas, 2014).

With this in mind, Mosher (1968) makes a useful differentiation between what he called objective responsibility and subjective responsibility. Objective responsibility addresses the formal institutional framework within which those who exercise public authority work. It can be envisaged as a formal map, or organisation chart, which depicts the constitutional and organisational lines of answerability. In the agency theory perspective it is the chain of principal-agent relationships that constitutes the formal structure of constitutional and organisational authority. In contrast, subjective responsibility focuses attention on moral values of the agent's actions. It focuses on duties and obligations that are felt subjectively by organisations, public administrators, managers, groups and individuals. Under this dimension answerability depends on the moral character of those who are required to be accountable so that accountability obligations are fulfilled responsibly. Importantly, the concept of accountability as answerability according to the objective responsibility perspective restricts accountability to being always delivered through formal processes where agents answer for their actions. However subjective responsibility is about issues of truth, trust and moral choices.

This dichotomy corresponds with widely acknowledged sources of accountability. For example, Steward (1984) and Leat (1988) argue that accountability is derived from hierarchical structures, a specific act of delegation, or/and community. A hierarchical structure of accountability is generated by the structure of an organisation: workers are accountable to managers and managers are accountable to owners or funders. Accountability can also be generated by a particular or specific act of delegation. This might happen through

a contract with an external party such as a local authority or central government. For example, government might contract out to a voluntary organisation to deliver a public service on their behalf. Alternatively, accountability can also be communal, stemming from public expectations of an organisation or individual. Communal accountability might also stem from allegiances and commitment of those who accept that they are accountable to their communities and to the public.

Such classifications of accountability very much recognise the different aspects of formal and moral values that constitute accountability. Indeed formal and moral values have a major role to play when it comes to defining the bases of accountability. In part, this depends on the scope of the stakeholders to which organisations find themselves accountable. Hierarchical structural accountability and delegated accountability implies there are a limited number of stakeholders who might have the right to demand accountability from an organisation or an individual, whereas communal accountability may imply a much larger number of stakeholders.

This brief review has demonstrated the contested nature of accountability and its multiple practices. However, two primary dimensions emerge as a means of classifying the different perspectives. First, accountability can be categorised into narrow and broad forms according to how far they draw upon internal and external sources of accountability, for example the extent to which an organisation's actions are scrutinised externally according to a set of formal standards, or alternatively, set voluntarily derived from a sense of moral and ethical values. Second, different perspectives can be drawn on according to whether they involve engagement with few or multiple stakeholders. For example, organisations can chose to provide only legal and contractual requirement for accountability or on the other hand

organisations can hold themselves accountable to all those who might be affected by their activities. Broad accountability differs from narrow accountability by the existence of an internal dimension. Agents in a broad accountability relationship have internal drivers. However, up until now, I have said little about the mechanisms of accountability and it is to an examination of these mechanisms that I now turn.

2.2 MECHANISMS FOR DELIVERING ACCOUNTABILITY

Existing literature, predominantly focuses on listing different categories or mechanisms, whilst recognising their limited effectiveness, their interactions, and to a certain extent foregrounding the value-added of participatory and dialogical tools or processes. Ebrahim (2003a and 2010) outlines six accountability mechanisms used by voluntary organisations. These include: disclosure statements and reports; evaluation and performance assessments; participation; industry self-regulation. Social audits as a mechanism was originally acknowledged, but subsequently dropped and replaced by adaptive learning. Ebrahim (2003a) claims that most of the mechanisms are deficient in offering broad-based accountability addressing impacts on various stakeholders in society: ‘most mechanisms ... undervalue long-term and qualitative assessments that are essential for understanding the real impacts of ... NGO activity (p. 826).’ Yet, at the same time, he argues that one of these mechanisms, participation (or engagement with stakeholders), integrates many of the characteristics of the other four accountability mechanisms into a process which can both improve on and enhance voluntary organisations’ accountability to various stakeholders in society. All the other mechanisms are underpinned by forms of stakeholder dialogue which Edwards and Hulme (1996) argue are needed to address the problem of accounting for broader societal impacts

and performance. This argument was supported by Edwards and Fowler (2003) who stated that voluntary organisations accountability ‘... must [involve] a process of negotiation between stakeholders rather than the imposition of one definition or interpretation of ‘effectiveness’ [or impact] over another’ (sited in O’Dwyer, 2007 p.291).

In other words, through its explicit encouragement of engagement with stakeholders the participation mechanism facilitates downward accountability to beneficiaries and upward accountability to donors (where relevant). It also encourages the development of social information systems and transparency (Kilby, 2006; Gray et al., 1997) and can operate as a valuable means of organisational learning if stakeholder perspectives are fed back into, and allowed to influence, organisational decision-making processes. Fowler (1996) thus recommended the adoption of a continuous process of multiple stakeholder involvement to both project evaluation (at an operational level) and performance assessment of a voluntary organisation in order to expose and embrace competing stakeholder demands.

However, as I shall discuss below, such a continuous process of dialogue is not without its difficulties. Keystone (2006)¹ carried out a survey for the purpose of investigating donor and voluntary organisations’ perspectives regarding extending voluntary organisations’ accountability to other stakeholders such as beneficiaries. The study uses stakeholder engagement as a proxy for accountability practices among voluntary organisations. The results show that voluntary organisations and donors sometimes have the same agenda when it comes to the importance with which they regard accountability to a broad range of stakeholders, in particular downward accountability to those who are powerless such as

¹ Keystone is a supporting and development UK based non for profit organisation (NGO) focusing on developing accountability and effectiveness in the sector.

beneficiaries. However, the survey results reveal that there is a practical knowledge gap among the respondents as voluntary organisations and donors do not seem to know how to operationalise the process. Successful engagement process of voluntary organisations with their stakeholders must influence decision-making processes and actively enable learning and improvement. Merely providing information and reporting will not capture the quality of accountability in relationships between voluntary organisations and their stakeholders. However, the study did not provide a clear framework for the participation process with stakeholders and so there was no clear answer on how to operationalise the participation process.

In addition, engagement with stakeholders according to Edwards and Hulme (1996) requires a statement of goals (adherence to certain rules, policies and procedures), transparency, and relationships with stakeholders if there is to be effective practices of accountability. A key example of a project attempting to apply these types of mechanisms was the Global Accountability Project (GAP) of the UK charity One World Trust (Blagescu et al., 2005). The GAP framework unpacked voluntary organisations' accountability into four dimensions: transparency, participation, evaluation, and complaint and response mechanisms; all of which were seen to be central to (stakeholder-focused) broad accountability processes. To demonstrate accountability in relation to its key stakeholders, GAP argues that voluntary organisations need to integrate all four of the above dimensions into its policies, procedures and practice at all stages of decision-making and implementation. While the framework does not indicate the need for formal reports, it does suggest various means of information dissemination including the worldwide web and public meetings.

Table 2.1 The four dimensions of international voluntary organisations accountability: the GAP framework*

Transparency (responsiveness)	The provision of accessible and timely information to stakeholders and the opening up of organisational procedures, structures and processes to assessment by stakeholders.
Participation (responsiveness)	The process through which an organisation enables key stakeholders to play an active role in the decision-making processes and activities which affect them.
Evaluation (Internal drivers)	The process through which an organisation monitors and reviews its progress and results against goals and objectives; feeds learning from this back into the organisation on an ongoing basis; and reports on the results of the process to stakeholders.
Complaint and response mechanisms (responsiveness)	Mechanisms through which an organisation enables stakeholders to address complaints against its decisions and actions, and ensures that these are properly reviewed and acted upon.

*Source: Adapted from Blagescu et al. (2005 p.25)

The GAP framework to a great extent is based on attempts to capture the dimensions of transparency and participation. These two dimensions are underpinning the whole framework. As such, the GAP framework begins to straddle the different forms or types of narrow and broad accountability so far under discussion. It also begins to combine different explicit mechanisms of accountability. By seeking to engage with the dimensions of participation and transparency, the GAP model begins to open up new possibilities. It is to these possibilities that I now turn, first discussing narrow and broad models of accountability before turning to a hybrid model of accountability.

2.3 THE NARROW MODEL OF ACCOUNTABILITY AND AGENCY THEORY

Agency theory has been particularly influential in thinking about accountability and public service contracting with voluntary organisations, with key authors in the field of voluntary organisations adopting this narrow concept of accountability (Crawford et al. 2009, Connolly and Hyndman 2000 and 2004, Brody, 2002, Mulgan, 2001, Leat, 1988 and 1996, Kearns 1994, and Robinson, 1971). Accountability research in the voluntary sector has also focused on issues related with fraud prevention and financial control (Gibelman and Gelman, 2000, 2001). Agency theory, with its inherent distrust of agents, provides a useful framework for studying organisations in this context. At the same time, accountability measures and instruments such as competitive bidding, performance contracting, mandated quality controls, outcome measurement, programme evaluation and independent financial audits address accountability from this narrow perspective in which agents are required to account for expenditures and activities to ensure that they are compliant with legal, regulatory and contractual agreements (Kearns, 1994).

Narrow accountability, with its adoption of agency theory, is centred on power delegation and expressed mainly through structured and hierarchical relationships (Leat, 1988, Ebrahim, 2003b and Mulgan, 2001). Hence, accountability according to this model reflects an act of delegation of power between two parties. The party delegating tasks is conceptualised as principal and the party undertaking and accepting the tasks as agent, or in other words, one party is accountable and the other is accountable to. As such, its defining characteristics can be summarised through two fundamental elements. These are first, the right to investigate and scrutinise the actions of the agent, and second, the right to impose remedies and sanctions (Mulgan 2001).

In building upon such fundamental assumptions, this narrow model of accountability frames practices of accountability in a particular fashion. First, the narrow model of accountability reflects independence. One party carries out activities and responsibilities on behalf of another party without their immediate supervision. The principal transfers resources to the agent with expectations of how these resources are to be used. This reflects an element of trust. Once there is an act of delegation and independence it is necessary for trust to be involved. Subsequent to the delegation the principal will have the right to call and hold the agent to account.

Yet, although the concept of accountability itself reflects an element of trust, the fundamental assumption of the agency theory is that agents cannot be trusted. Narrow accountability assumes that agents act opportunistically and take advantage for their personal utilities and benefits, especially if there is no threat of punishment (Ebrahim, 2003b, Laughlin, 1990, Gray et al., 1997, Mulgan, 2001, Leat, 1988, and Unerman and O'Dwyer, 2006b). Agents cannot be trusted to complete their work and complete it to the required standard. They also cannot be trusted to give an accurate report about their actions. Therefore, making them accountable for how they have used the principal's resources becomes strategic and as such accountability is primarily retrospective in nature. It often involves a responsibility for giving an account of an activity that has already been carried out. However, the agent can also be required to explain what they are going to do in the future, although the agent will not be accountable for the action until it is carried out.

Secondly, narrow accountability also reflects an element of inequality in the relationship between two parties. This inequality is intrinsic to the acceptance that one party delegates

power to another party, and has the right to call and to hold the other party to account, whilst the other party is responsible to explain and give an account for the actions that been carried out on behalf of the delegator. At the same time, narrow accountability encompasses the right to impose sanctions if the action accounted for is below expectation. Sanctions are often tangible such as losing job or losing funding. From the principal-agent perspective, narrow accountability can be defined as in a relatively one-sided manner as ‘the principal’s right to require an account from the agent’ Ebrahim (2003b p.196) and ‘the right to impose sanction if the account or the actions accounted for are inadequate’ (Leat, 1988 p.20).

Once again, this assumption requires clarification. Agents such as voluntary organisations are responsible for the utilisation of their resources and also for the provision of relevant information to their principals whether they are funders or government institutions or other stakeholders. This suggests that the element of inequality reflected in the principal-agent relationship offers more advantage in power and domination to the agent than to the principal. Agency theory suggests that one solution for principals seeking better assurance is to tighten control over their agents by increasing the level of specification in contracts. However, Laughlin (1990) finds in his study of religious types of voluntary organisations that as contracts become more specified and agents lose autonomy, the level of conflict increases. The study suggests that agents’ motivation towards working to their own agenda and misreporting their activities will not decrease but rather will always increase.

In fact, Brandsma and Schillemans (2012) reveal the temporal dimension of accountability practices, drawing attention to how relationships between principal and agent evolve over time through three stages: providing information; discussion; and consequences / sanctions. From the development of what they termed the accountability cube, they distinguished the

different intensity of existing studies on specific stages or accountability processes (see Table 2.2) Importantly, they called for studies of the accountability relationship to examine all the three processes of accountability with similar levels of intensity (Brandsma and Schillemans, 2012: 7). But, they also surfaced disparity in the levels of attention devoted to each set of processes in practice. They noticed that in the case of agents not meeting their targets, sanctions always do not take place. They thus concluded that the answerability dimension is often not applied in practice; rather it is replaced by a soft dialogue and discussion. Brandsma and Schillemans, 2012

Table: 2.2 Quantitative analysis of accountability*

Phase of Accountability	Issue	Authors
Information: 14 studies	Accountability to <i>whom</i> ?	Considine 2002; O'Connell, Yusuf and Hackbart 2009; Brandsen et al. 2011; Verschuere et al. 2006
	Accountability obligations	Considine 2002; Demmke et al. 2006; Dicke 2002; Hanretty and Koop 2011; Carman 2009; O'Connell, Yusuf, and Hackbart 2009; Brandsen et al. 2011; Laegreid and Verhoest 2010; Wang 2002
	Accountability data/information provision	Carman 2009; Justice, Melitski, and Smith 2006; Pina, Torress, and Royo 2007; Wong and Welch 2004; Welch and Wong 2001; Wang 2002
Discussions: 4 studies	The norms: what is expected of the agent?	Ashworth 2000; Wang 2002
	Accountability requests (incl. responses) by accountability forums	Carman 2009
Consequences: 9 studies	Formal sanctions (use of or availability)	Hanretty and Koop 2011; Lamothe and Lamothe 2009; Strøm 1997
	Actual effects: outcomes	Demmke et al. 2006; Dicke 2002; Heynrich 2002; Brandsen et al. 2011; Strøm 1997; Laegreid and Verhoest 2010; Wang 2002

*Source: Brandsma and Schillemans, 2012 p. 7

While widely adopted as a way of thinking about accountability, narrow accountability with the principal-agent relationship at its focus, is therefore not without complications or for that

matter, limitations. Reporting occurs only after the agents have completed their work. The possibility of sanctions may discourage the agents from misconduct, however the retrospective nature of the accountability process provides only a weak form of control (Ebrahim, 2003b and Mulgan, 2001). There is little incentive for agents to give principals the best information in their reports (Ebrahim, 2003b). It is not in the agent's interest to let the principal know that they have performed poorly. Principals do not always have the capacity to sanction delegated agents and a narrow definition of accountability cannot cater for relationships where the principal is not the higher authority. For example, in the voluntary sector voluntary organisations are accountable to a wide range of stakeholders but not all of them, for example the beneficiaries, have the ability to impose sanctions (Kearns, 1996 and Miller, 2002). In fact, Schillemans and Busuioc (2015) argued that the principal agent theory does not fully fit for public accountability as principals choose not to hold drifting agents to account, but employ methods of dialogue and discussion before any consequences been applied (see also the work of Brandsma and Schillemans, 2012).

In addition, in the voluntary sector sometimes it is very difficult to measure and quantify performance (Ebrahim, 2003b). These difficulties are amplified by the microeconomic frame within which agency theory operates. This frame focuses upon individual gain and survival and not the wider societal impacts of any behaviour (Ebrahim, 2003b). It suggests that voluntary organisations are operating in a constant battle for survival, which makes them only more dependent on and susceptible to powerful stakeholders such as major donors. However, the narrow definition of accountability does not recognise any stakeholders other than those who can influence the very existence of a voluntary organisation.

Against this background, conceptualising accountability as a relationship between principals and agents enforces hierarchical thinking. Principals are assumed to have the right to control the behaviour of agents. Any departure from the principal's wishes is worthy of sanction (Laughlin, 1990). But, principals may require agents to do things that may be considered inappropriate by the agents. For example, the managers of voluntary organisations (agents) may be expected to prioritise the needs of their funders (the principal) at the expense of focusing on their organisational mission (Tandon, 1995 and Kearns, 1996). In practice however principals often play multiple roles in relation to their agents, and agents may have relationships with many principals. Nonetheless, issues of morality, tradition, culture and ethics are arguably ignored when accountability is narrowly defined in hierarchical terms (Ebrahim, 2003b).

Overall, many of these limitations emerge from the inability of the model of narrow accountability and the principal-agent perspective to cater for relationships based on trust. Agents are assumed untrustworthy. Formal agreements and reporting are needed as proxies for trust. In practice, this makes for costly and ineffective methods of accountability for many voluntary organisations (Ebrahim, 2003b). Many relationships across the sector are based on trust and their accountability mechanisms need to be designed accordingly (Ebrahim, 2003b). Swift (2001 p.20) stated that 'in situations where trust is present the trusted tend to disclose more accurate, relevant and complete information, whereas the trusting feel less need to impose social controls in order to gain access to or influence over information.' In such circumstances, accountability is not confined to just formal processes and reporting to a higher authority, but it refers more generally to a wide range of stakeholder expectations related to organisational performance, responsiveness, and actions. Voluntary organisations may feel a sense of duty that they must account to not only higher authorities in the

organisational structure but also to a wide range of stakeholders including the general public, beneficiaries, donors, staff, peer organisations and networks, and so on (Kearns, 1996). The trust that underpins such reporting is normally based on shared values and purposes that bring people together. It is fundamental to activities in the voluntary sector.

Against this background Willems and Van Dooren (2012) argued that accountability has been departing from the conventional classical form to more democratic one. This view resonates with Friedrich-Finer debate in 1940s. Finer believed that accountability could only be guaranteed by maintaining hard external constraints and sanctions, whereas Friedrich argued that self-control is feasible based on broader array of soft internal norms and values. Picking up on such debates, Schillemans, Van Twist and Vanhommerig (2013) claim that accountability has evolved from the conventional relationship of delegation to a more relational one, where accountability is no longer called for by a principal but rather by multiple stakeholders. Thus Schillemans, Van Twist and Vanhommerig (2013) argue that governments open up the accountability process to engagements and interactions with internal and external stakeholders, which facilitates organisational learning processes in the public sector. Innovation in the public sector has then transformed accountability from the classical retrospective to a dynamic process. However, Willems and Van Dooren (2012) and Schillemans, Van Twist and Vanhommerig (2013) have reiterated the fact that there has been little empirical research on the evolving model of accountability, and with that in mind, I turn to an alternative broad conceptualisation of accountability.

2.4 THE BROAD MODEL OF ACCOUNTABILITY AND STAKEHOLDER THEORY

The inability of the narrow accountability model to explain relationships outside the principal-agent perspective has led to an alternative broader conceptualisation, epitomised by stakeholder theory. The essence of stakeholder theory is an attempt to answer the fundamental questions to whom organisations are accountable or which groups of stakeholders deserve or require an organisation's attention (Mitchell et al., 1997 and Sundaram and Inkpen, 2004). It was primarily developed by researchers investigating the practices of private business (Freeman and McVea, 2001 and Freeman et al., 2004), and there may be concerns as to whether it can be applied to the voluntary organisations under consideration in this study. However, following the work of Barrett (2001), I argue that it offers a novel insight into the application of accountability in voluntary organisations. Indeed, Barrett suggests that because voluntary organisations are perceived to have a high level of responsiveness to community needs, stakeholder theory can be meaningfully applied to voluntary organisations. Voluntary organisations have a sense of obligation to various stakeholder groups identified as sharing their objectives.

Broad perspectives on accountability thus in keeping with stakeholder theory relax the primary underpinnings of agency theory by widening the scope of accountability to all those affected by the delivery of services or by the work of organisations, as well as including in its analysis particular relationships where the agent has voluntarily chosen to undertake work so that no formal delegation occurs. Stakeholder theory defines an organisation's stakeholders, according to Freeman and McVea (2001:4), as 'any group or individual who is affected by or can affect the achievement of an organisation's objectives.' This definition leaves the field of

possible stakeholder open to include virtually anyone. However, the basis of the relationship is stakeholder power over the organisation derived from their stake in the organisation's successful achievement of its goals and objectives (Freeman and McVea, 2001). In particular, managers will not be able to give an account to all stakeholders, if only because of time and resource limits (Mulgan, 2001). Mitchell et al. (1997) suggest that organisations classify stakeholders as primary and secondary, where the difference depends on the power of stakeholders to influence organisations' decision-making process. They develop the idea that stakeholders become salient to managers to the extent that those managers perceive stakeholders as possessing three attributes: power, legitimacy and urgency. Power is defined as the extent to which managers perceive that stakeholders can impose their will on the organisation. Legitimate stakeholders are those that are perceived to have an acceptable claim on the organisation and the power to enforce their claim. Urgent claims are those that are time sensitive and a manager will need to respond to the claim quickly (Mitchell et al., 1997). Managers are more likely to provide accounts to stakeholders who they regard as having high values in all their attributes.

Alternatively, Rowley and Moldoveanu (2003) categorise the relationship between an organisation and stakeholders into voluntarily and involuntarily, where the organisation either chooses to give an account (voluntarily) to the stakeholders or has no choice but to give an account (involuntary). Both categorisations offer limited guidance on which stakeholders managers should give most attention to as both suggest that it is for the organisation to gauge and decide which stakeholder groups should be given an account. However, Rowley and Moldoveanu (2003), in contrast to the categorisation offered by Mitchell et al. (1997), allows for all stakeholders who might be affected by the organisation's actions regardless of their power to be included in the accountability process.

In fact, underpinning this latter conception of accountability is the view that organisations have a duty towards their communities. It stresses that voluntary organisations have a moral duty to be responsive to their communities and to the needs of many stakeholders within those communities. This perspective is also described as communal accountability where the community is considered to be the main source of accountability (Leat, 1988). Under this perspective, the relationship between principals and agents is informal, morally defined, and based on high levels of trust. Agents have more discretion to carry out the wishes of the principal. Accountability occurs in social settings where roles are unclear or uncertain, less structured, and there is a reliance on informal communication between parties (Stewart, 1984; Leat, 1988; Ebrahim, 2003b; Laughline, 1990; Unerman and O'Dwyer, 2006b). With this in mind, Stewart (1984) talks of the presence of links of accountability where parties are linked together but there is not a clear bond of accountability such as a formal contract. Instead one party is responsive to the needs of the other informally. On this theme, Leat (1988) also identifies responsive accountability where those accountable take into account as an act of free will the demands of those to whom they are informally accountable. But, she views this as a weak form of accountability, as there are no formal sanctions.

Under the broad perspective of accountability, any analysis has to allow for the fact not only that performance measures may be formally codified in laws and regulations but that measures of accountability are also defined by the subjective standards and expectations of those engaged in the accountability relationship. Anticipating emerging standards and taking proactive steps to meet them is an important aspect of an accountability relationship (Kearns, 1996). The accepted levels of performance under the broad perspective depend on the nature of the relationship between the parties, and the cultural and historical contexts of the relationship (Ebrahim, 2003b). As such, broad forms of accountability may appear more

situated, more concerned with the constructions of the meaning in particular organisations, than with the presence of the standardised procedural regularities.

Whilst I have drawn out the contrasting views of narrow and broad forms of accountability, there are what might appear at first glance to be similarities. Like narrow accountability, answerability is a component of the broad perspective. Organisations answer to themselves on performance and give accounts to the stakeholders they view as important or have agreed to report to, for instance to maintain their trust and reputation or, like narrow accountability, to report on their actions. But broad accountability's distinct characteristic is that organisations allegedly believe themselves to be responsible for their actions and respond voluntarily to a need or demand of their stakeholders. Organisations' responsiveness as an act of free will add, a moral dimension to their relationships with stakeholders. For instance Brown, Moore and Honan (2004) argue that an actor is accountable when they recognise that they have made a promise to do something and accepted a moral or legal responsibility to fulfil that promise. It could be a promise between two actors. Alternatively, an actor could believe and act as though she was accountable to an abstract purpose. Although a voluntary organisation may be judged on formal measures of accountability (narrow), voluntary organisations actions are normally based on their beliefs, values, and acceptance of responsibility, and as such they are guided by their commitment to broad accountability relationships (Najam, 1996b; Gray et al., 1997; Slim, 2002; Ebrahim, 2003b, 2005 and 2007).

Overall, voluntary organisations' commitment to broad accountability relationships should empower stakeholders by giving them the possibility to be part of the decision-making process on issues that impact upon them (Unerman and O'Dwyer, 2006b). This right of

participation in the decision-making process on a particular matter will be more justified when the potential impact on the lives of participant stakeholders is greater (Gray et al., 1997; Blagescu et al., 2005; Neligan, 2003; Najam, 1996b; Kovach et al., 2003).

However there are two challenges with applying stakeholder theory to accountability. Firstly there remain questions as to why some accountability relationships are prioritised and others are not, in part because stakeholder theory fails to navigate between over-extending or over-narrowing the definition of stakeholders. Secondly, stakeholder theory is concerned only in managing relationships and engagement with stakeholders. It stands silent on transparency. Organisations might use information disclosure superficially and only when it is in the organisation's traditional interests (for example as part of legitimacy process and / or profit seeking, (Gray et al., 1997)). The stakeholder approach risks assuming that stakeholders' needs can be integrated morally with those of the organisation. If this can be assumed then accountability to multiple stakeholders can be in the organisation's best interests. But, as this study will demonstrate, this remains a risky assumption; processes engagement can be a sham and meaningless. Accountability requires that participation processes are complemented with a fair and reasonable degree of transparency if stakeholders are to have the information required to act. The lack of attention given to transparency thus weakens the utility of broad perspectives drawing on stakeholder theory.

With this acknowledgement I now turn to how a hybrid model, building on the GAP perspective pointed to above, can bring together a thicker analysis to accountability practices. Let me briefly recap on the argument so far. I have identified in the literature two models of accountability, narrow and broad perspectives. In my assessment of these models, each model over-privileges one dimension of accountability. Narrow models drawing on agency theory foreground practices of transparency and the adherence to formal standards, procedures and

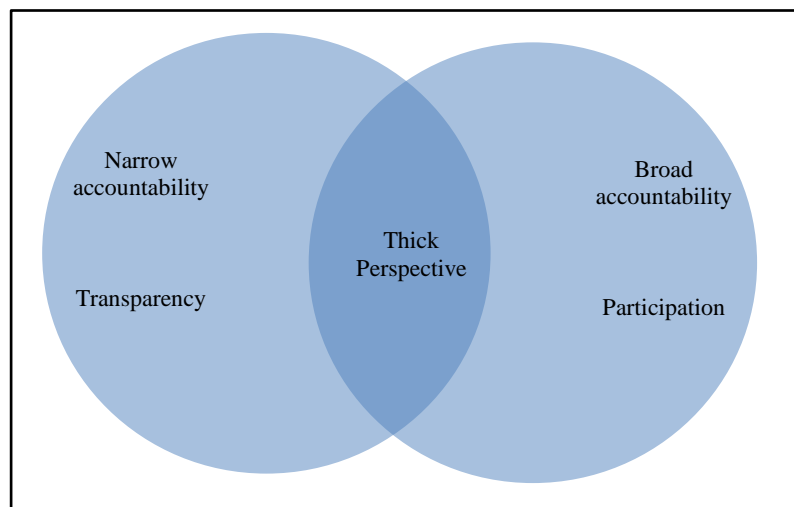
expectations. However, they fail to account for how multiple stakeholders impact upon accountability practices. In contrast, broad perspectives draw on stakeholder theory and open up models of accountability to more informal and constructed measures. But, as I have just argued, these broad perspectives fail to grasp the demands of transparency. In short, neither model nor perspective provides an adequate basis upon which to test and evaluate practices of accountability in voluntary organisations. With that in mind, I now turn towards the construction of an alternative hybrid model which enables a thicker analysis of the practices of accountability, and draws upon the promise of the GAP analysis to straddle the distinct dimensions of accountability but which remains still in its infancy (Gusinsky, et.al, 2015)

2.5 TOWARDS A HYBRID THICK MODEL OF ACCOUNTABILITY

Writers such as Gusinsky, et.al, (2015) and Hood (2010) have made the argument for the relevance of attaching the term transparency to accountability. However, again, there has been a lack of empirical effort by researchers to test this combined conceptualisation of accountability (Brandsma, 2013; Brandsma and Schillemans, 2012; Boven, 2010; Fox, 2007; Hood, 2010; Gusinsky, et.al, 2015). In this section, I build on the limits of existing mechanisms of accountability to frame accountability around the two dimensions of organisational transparency and stakeholder participation in the decision-making process. It follows that I test the assumption that combining the two mechanisms can yield a better predictability power to accountability practices within voluntary organisations (see Figure 2.1).

I address these two dimensions in turn. Each discussion establishes how these dimensions might begin to be measured or integrated into the analysis of accountability practices.

Figure 2.1: Framing the research model



TRANSPARENCY

The term transparency is normally associated with vision and visibility. According to the Cambridge dictionary it means: ‘the characteristic of being easy to see through’ and ‘the quality of being done in an open way without secrets.’ This definition contains three key characteristics: ‘see through’ which implies seeing things with clear visibility through a medium; operating in an ‘open way’; and ‘without secrets.’ I will try in this section to discuss the concept of transparency through the lens of these three characteristics.

In line with this definition, the concept of transparency is more comprehensive than being just about the visibility of information through an organisation’s website or through any other medium. Providing useful information to stakeholders is equally a primary condition that underpins the effectiveness of the transparency process. Michener and Bersch (2013) describe useful information as inferential: it can easily be used to draw verifiable inferences. Transparency also refers to a voluntary organisation’s openness about its day-to-day

operations and activities (Hood, 2010). This enables stakeholders to monitor and evaluate the voluntary organisation's performance and action against its objectives, and targets.

Other researchers contrast transparency with secrecy. For example Florini (1998) states that: 'secrecy means deliberately hiding your actions; transparency means deliberately revealing them' (p.1). The emphasis here is on the will and the purpose of an organisation to act deliberately in a certain way. This implies a broad definition of transparency which enables organisations to assess their transparency by looking at the purpose of taking certain actions, policies or practices. This broad definition can, following Balkin (1998), be based upon three interconnected factors. These are not only (i) traditional access to information, but also (ii) participation in making decisions, and (iii) accountability for actions. Rawlins (2009) argues that transparency requires all three elements to be present in order for the organisation to be transparent and for it ultimately to be able to build (and restore if necessary) trust with stakeholders. Rawlins (2009) believes that transparency consists of 'information that is truthful, substantial, and useful; participation of stakeholders in identifying the information they need; and objective, balanced reporting of an organization's activities and policies that holds the organization accountable' (p.74). Thus, Rawlins adds value and quality to Balkin's (1998) elements of transparency (see also the works of Heise, 1985; Gower, 2006; Blagescu et al., 2005; Strathern, 2000; Martinson, 1996; Klaidman and Beauchamp, 1987; Cotterrell, 2000).

Indeed, existing studies establish a set of conditions as to what it means to be transparent.

Heise (1985) argues that transparency requires that 'all legally releasable information whether positive or negative in nature' should be made available 'in a manner which is accurate, timely and balanced' (p. 209). Gower (2006) argues that a transparent organisation

should make information available to its stakeholders about its activities, policies and decisions in order for those interested in the organisation's activities to have the opportunity to ascertain, understand, and assess these activities. She states that 'stakeholders must perceive or believe that the organisation is transparent and that they are being told everything they need to know' (p. 96).

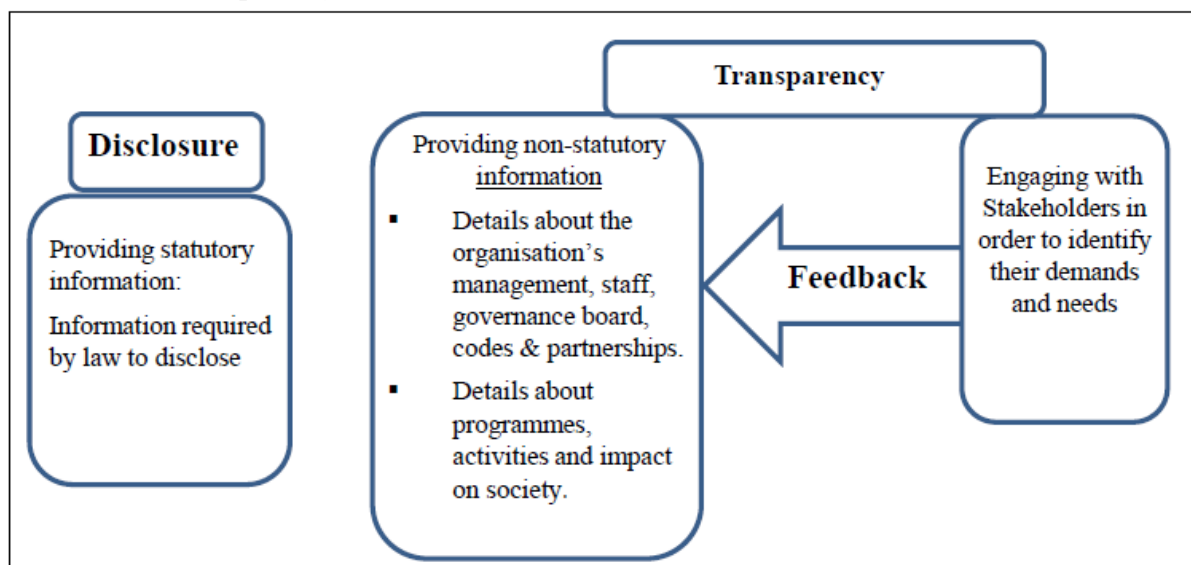
However, mere information disclosure may not mean anything and does not necessarily lead to public trust nor represent transparency. Disclosure alone can undermine the purpose of transparency which can lead to confusion rather than enlighten reality (Balkin, 1998 and Gower, 2006). For example, confusion may occur when relevant information is hidden in a large body of irrelevant information so that stakeholders cannot access easily the information required. Balkin (1998 p.1) refers to this type of transparency as 'a form of transparency that is not transparent at all.'

Taking such criticism into account, transparency is about openness and not about the magnitude and the amount of information disclosed. Strathern (2000) agrees with this. He states that transparency is only useful when it enhances understanding and is not just about the amount and the flow of information. Equally, Martinson (1996) argues that the goal of transparency is to 'truthfully communicate the reality of a particular subject-incident-event-etc.' (p. 43). He argues that truthful communication and disclosure of information should meet the standards of 'substantial completeness' (Klaidman and Beauchamp, 1987 p. 35 cited in Martinson, 1996 p. 43). Klaidman and Beauchamp (1987) define substantial completeness as 'the point at which reasonable [...] (people's) requirements for information are satisfied' (p.35). Hence, the key to achieving substantial completeness is for organisations to know their stakeholders' demands and needs.

In fact, Cotterrell (2000) argues that transparency as ‘a process involves not just availability of information but active participation in acquiring, distributing and creating knowledge’ (p.419). Similarly, Rawlins (2009) argues that the element of stakeholder participation promotes disclosure to transparency and that stakeholders must be invited to participate or be consulted in order to identify the information needed by the stakeholders for the right decisions to be made. Rawlins (2009 p. 75) says that ‘transparent organizations are accountable for their actions, words, and decisions, because these are available for others to see and evaluate.’ A transparent organisation provides information to its stakeholders beyond annual reports and statutory information required by law or other regulatory body.

Transparency is a process that occurs continuously and not just in the annual report once a year. Voluntary organisations should be open about their structures, activities and decisions, listen to stakeholders and encourage their input in order to develop and improve their transparency. If organisations fail to disclose information that they are required to disclose by law then sanctions will be imposed against them. However, transparency is more than providing statutory information. It should be a continuous process of making stakeholders aware and informed about the organisational operations, programmes, activities, staff and governance. Based on the above discussion Figure 2.2 depicts a transparency system for voluntary organisations. The model shows that transparency is generated by providing stakeholders with information that is not required by law to be revealed. In addition, it suggests that an organisation should engage with its stakeholders in order to meet their needs and requirement. The items under the ‘Transparency’ heading in figure 2.2 will be used to develop a scale to measure the extent of organisations’ involvement in providing information that is not required by law to be made available to stakeholders.

Figure 2.2: Transparency model



Past research has focused heavily on examining the disclosure of information in annual reports (Dhanani and Connolly, 2012p; Connolly, Hyndman and McConville, 2013; Hyndman and McConville, 2016). For example, Dhanani and Connolly (2015) adopted a dual strategy method in carrying-out the research through content analysis of the annual report and semi-structured interviews. Their research found that voluntary organisations focused their efforts mostly on meeting statutory part of the annual report (financial statement) and the expectations of powerful donors. They also stated that ‘some organizations engaged in misleading practices (sometimes unwittingly) thus potentially manipulating stakeholder perceptions and influencing their actions and decisions (p. 631-32).’ Hyndman and McConville (2016) studied the transparency of large UK voluntary organisations reporting on efficiency. Their findings showed that organisations were ‘driven [in their reporting] more by a desire to appear legitimate rather than by an aspiration to provide ethically driven and transparency accounts of their efficiency’ (p.3). At the same time, voluntary organisations shied away from reporting information about efficiency measures and conversion ratios (e.g.

cost per unit of service provided) as they might be negatively perceived or misunderstood by stakeholders. Hence, a voluntary organisation might consider that such information is not important to stakeholders, reasoning that they appear more legitimate by not reporting than by reporting and consequently, not exposing stakeholders to uncertainties on charity costs. However, this can be interpreted as merely a justification for an organisation not providing accountability to its stakeholders because they will misunderstand it.

In a different study Mussari and Monfardini (2010) argue that transparency in reporting by voluntary organisations is influenced mainly by changes to the economic environment. They argue that a government imposing public spending cuts and reforms to the funding criteria to the voluntary sector might encourage some voluntary organisations to disclose more information to their stakeholders in order to signal a higher level of transparency, efficiency and socially responsible behaviour, so that in turn stakeholders might be encouraged to make donations to the voluntary organisations. They draw attention to the fact that while laws are considered as a powerful tool of compliance, informal pressure comes from stakeholders on voluntary organisations to improve transparency. In fact, returning to the relationship between reporting and legitimacy, Monfardini, Barretta and Ruggiero (2013), in contrast to Hyndman and McConville (2016), argue that transparency in reporting can provide legitimacy if managed correctly in order to avoid cynicism from stakeholders. And they added that if organisations used social reporting for the purpose of increasing their legitimacy instead of being transparent about the performance achieved then in this case social reporting might produce adverse outcomes on their legitimacy. In short, past research has shown that transparency is not a straightforward concept and how complex it can get. To this end I shall now move to discuss the other dimension of the accountability model, that of stakeholder engagement.

Stakeholder engagement (participation) in the voluntary organisation's decision-making process

Understanding accountability through the logic of participation offers critical insights into the practices of accountability, foregrounding the inalienable link between engagement and the capacity of citizens and stakeholders to hold organisations to account. In fact, Dereli (2011) emphasises that accountability can be achieved through empowering participation in decision-making, going beyond mere democratic representation. But, such participation is of course not without its complexities. On the one hand, it may take different forms. For example, stakeholders are able to participate through their involvement in implementation through consultation over outcomes or through being involved in project design and strategy planning, or even through contributions in cash or labour to the work of organisations. However, such participatory forms can be limited by power imbalances. Downward accountability, the power of beneficiaries and communities to impose sanctions can often not match upward accountability to government and funders and their capacity to impose sanctions on organisations if their expectations have not been met. As Ebrahim (2010) argues beneficiaries tend to gain very little decision-making authority, with actual project objectives being determined by institutions and funders long before any participation occurs, so that the benefits of such participation for the purposes of downward and broad accountability are more imagined than real. Ebrahim's (2010) argument resonates with Najam's (1996: 346) view of participation practices which claims that participation has become "merely a sham ritual" process functioning as "no more than a feel-good exercise for both the local community and the voluntary organisation." In linking this problem to accountability, Najam argues that "the sham of participation translates into the sham of accountability" because

“unlike donors, communities cannot withdraw their funding; unlike governments, they cannot impose conditionalities” (Najam, 1996: 346-7). In the same vein Ebrahim (2010) added that there is a disjuncture between an imagined logic of participation (in theory), which is empowering and enables downward accountability, and the structural constraints of a real logic of participation that is sham and ritual. Indeed, without a mechanism for addressing unequal power relations, participation appears unlikely to lead to downward accountability.

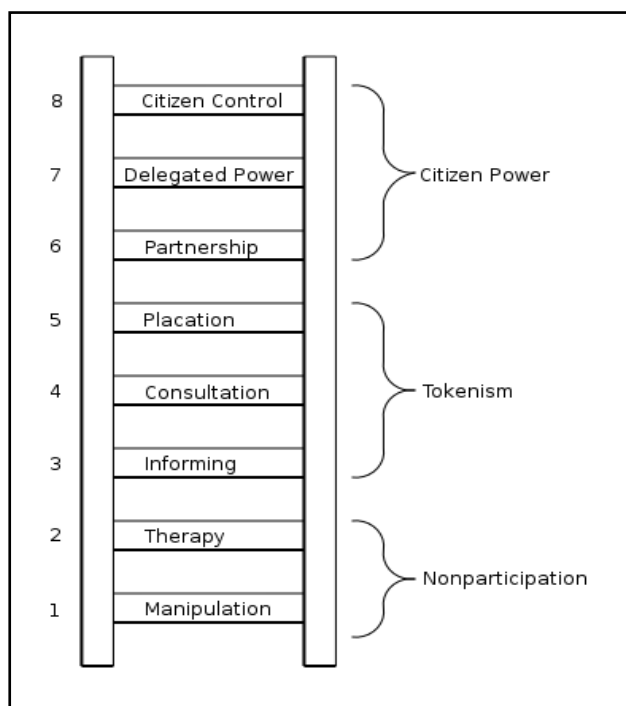
In order to map these complex processes, this section critically assesses the works of Arnstein (1969), Ebrahim (2003) and Neligan (2003). It develops a novel model to articulate levels of meaningful participation where, participation mechanisms, level of influence on decisions and stage of participation all come together to form a hybrid heuristic model for assessing levels of participation. Thus, underlying these claims is the assumption that these elements are interconnected. The model uses the level of influence on decisions as an indicator for power. However, claiming that stakeholders have a certain level of influence on decisions would be meaningful only if it corresponds with the right mechanism as well as an appropriate stage in which participation occurs. In other words, a high level of participation suggests a high level of influence on decisions (the extent of power). And low level of participation suggests low engagement mechanism and minor level of stages.

Mapping Participation

In this section I specify these different elements of participation processes, so as to enable the systematic testing of how these different elements of participation come together to impact upon levels of accountability. High levels of participation might suggest high levels of accountability, but such claims require testing. To aid such testing, I turn first to the work of Arnstein.

Notably, Arnstein (1969) analysed stakeholders' involvement in decision-making through the lens of a ladder of stakeholder participation. She argued that participation in the decision-making process is a frustrating process for the participating stakeholders if it is without power being distributed fairly. She suggested a hierarchical model of engagement. Its lowest level is 'non-participation'. The highest level of the participation ladder is when stakeholders have full control over decision-making.

*Figure 2.3 Arnstein's ladder of participation**



**Source: Arnstein, 1969 p.2*

The ladder has eight rungs and is divided into three level-groups of participation. The lowest two rungs of the ladder represent the level of 'non-participation'. The next stage, named 'tokenism' consists of three rungs: informing, consultation and placation. Under informing and consultation stakeholders can be heard but have no influence in the decision-making

process. Informing implies one-way communication where stakeholders are essentially ‘told’ about decisions, projects or plans by means of bulletins, pamphlets, posters and responses to inquiries. However, an organisation might adopt consultation as a means of engagement where stakeholders are invited to express their opinions and feedback concerning issues that matters to them via mechanisms such as surveys and public hearings. Arnstein (1969) argues that consultation can be described as “window-dressing” (p.6), if stakeholders’ feedback does not affect the organisation’s decision-making process. Finally, in relation to tokenism, placation, grants stakeholders an advisory position and gives stakeholders the opportunity to be heard before decisions can be made. However, the board has the right not to consider their advice when decisions are being taken.

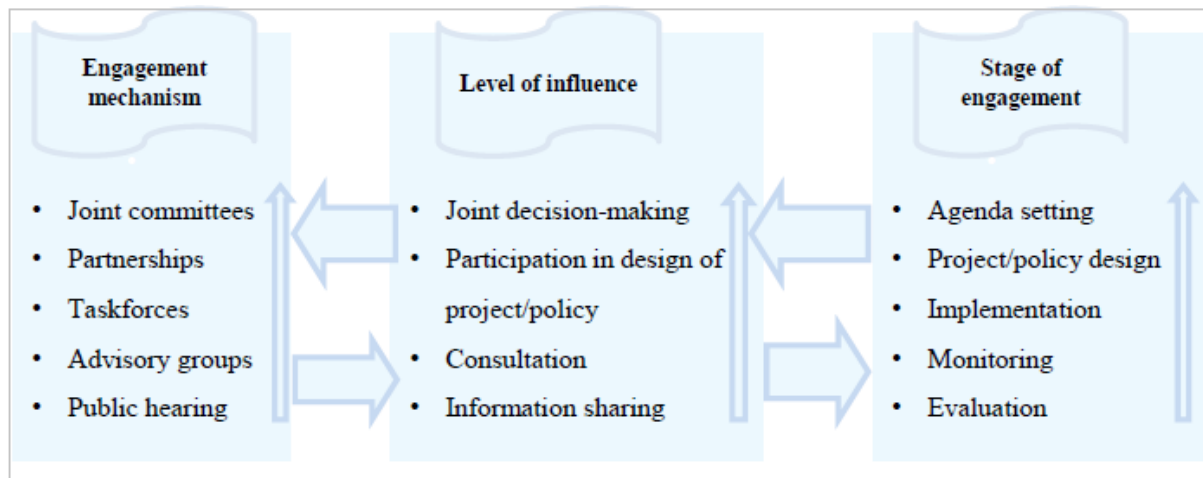
The next group of engagement strategies come together under ‘citizen power’ which consists of three rungs: partnership, delegated power, and citizen control. At this level of participation, stakeholders have a significantly greater degree of influence over the decision-making process. At the partnership level of participation, power is distributed through negotiation between stakeholders and power-holders in order to reach a joint decision. Delegated power represents an advanced form of partnership where stakeholders are enabled to undertake a dominant position in the decision-making process. Finally, the top rung of the ladder is citizen control in which stakeholders lead decision-making processes. This is the case in some types of organisations such as self-benefitting voluntary organisations where the board of governance are the beneficiaries (Ebrahim, 2010 and O’Dwyer, 2014).

Alternatively, Ebrahim (2003), Najam (1996), Kilby (2005), Neligan (2003), and Blagescu et al. (2005) have adopted the notion of power-redistribution for assessing stakeholders engagement in the decision-making process in voluntary organisations. Ebrahim (2003)

suggests four levels of participation. The first level is comprised of two of Arnstein's three components of tokenism: informing and consultation. The second level refers to limited participation on an operational level whereby stakeholders are involved in a project implementation through, for example, labouring. Hence, the stakeholders' power in the decision-making process appears to be very low at both these levels of participation. Finally, the third and the fourth levels are based on Arnstein's three components of 'citizen power' where stakeholders can negotiate decisions before they are taken. This implies that power over decisions is more equally distributed between a voluntary organisation and its stakeholders. Stakeholders might have a dominant role in accepting or rejecting decisions, whereas at the fourth level stakeholders have full control in the decision-making process.

Shifting the focus away from levels of engagement, Neligan (2003) argues that for a participation process to be effective and genuine and not mere ritual, power should be distributed between stakeholders and the voluntary organisation's board to ensure that stakeholders are involved in and have influence on the decision-making process. She suggests a framework which assesses stakeholders' participation in the decision-making process with three interlinked measures. These measures are: (i) the stage of the decision-making cycle in which engagement with stakeholders is sought, (ii) the level of influence of stakeholders on decisions, and (iii) the mechanism of engagement in the participation process. Figure 2.4 depicts the three measures. This framework provides for different types of interaction between a voluntary organisation and its stakeholders. It examines the interrelationship between the levels of influence stakeholders may have in the decision making process, the engagement mechanism being used in the participation process, and the stage of decision-making cycle in which participation occurs.

Figure 2.4: Three processes of participation model



Adapted from Neligan (2003): 10

More specifically, there are different types of interactions with stakeholders which have different levels of influence in the decision-making process. At the lowest level of influence, a voluntary organisation might choose information sharing or consultation, which are equivalent to Arnstein's informing and consultation. This will lead stakeholders to have no influence on the decision-making process, particularly if the engagement mechanism and the stage at which engagement occurs are also low. Equally, a voluntary organisation might limit stakeholder engagement to the operational level where stakeholders are involved only in the implementation process, or perhaps through monitoring the project's implementation. In this stage of engagement, stakeholders' participation is normally expressed by physical participation in project delivery. This type of engagement is equivalent to, or at least maps upon, the second level of Ebrahim's model of participation.

The next level of influence allows stakeholders to provide suggestions about the design of projects and policies. At this level, participation occurs before decisions are taken, allowing

stakeholders to suggest what they believe are necessary changes to a design of a project or policy. This can be achieved through appropriate mechanisms such as advisory groups and task forces. At this stage of participation, power is distributed enabling stakeholders to influence decisions. However, at the highest level of influence, decisions are reached through a joint decision-making process where stakeholders are considered as co-decision makers. This level of influence can be implemented by employing mechanisms such as a partnership between a voluntary organisation and its stakeholders, and through the use of joint committees where some key stakeholders might set. At this level of participation, stakeholders are empowered to be involved in forming and agreeing to decisions, thereby enabling stakeholders to be seen as part of the voluntary organisation's governance system. Broadly speaking, Ebrahim (2003) and Neligan (2003) built their engagement paradigms on Arnstein's ladder of citizen participation in the decision-making process. The range of influence expressed by this ladder gives an observer the flexibility to distinguish between various participation models. Ebrahim and Neligan's models combine Arnstein's eight levels of influence into four levels for stakeholders' engagement in the decision-making process. However, although Arnstein discussed the relationship between the different levels of influence that stakeholders might have on decisions and the mechanisms being used for engagement process, Arnstein's ladder of engagement does not address the different types of engagement mechanisms which can be used at different levels of influence. These are important, because recognising the engagement mechanisms used in the participation process can help to assess the level of influence stakeholders might have on a voluntary organisation's decision-making process.

In addition, Arnstein's ladder fails to recognise the stage of engagement, for example, the stage in the decision-making cycle at which engagement occurs. The stage at which

engagement occurs should be looked at when the participation process is being assessed as it is interrelated with both the level of influence and the engagement mechanisms. For example, when the level of stakeholder influence in the decision-making process is at the highest level, this depicts the point where engagement occurs and should be also at the top of the decision-making cycle. If the stage of engagement is low and the level of influence being used by a voluntary organisation is high, this might indicate a different level of influence stakeholders may have on decisions. It could undermine the stakeholders' power over decisions. Adopting Neligan's three dimensional model guards against the risks of such limited assessments and offer a more comprehensive analysis of the complexities of stakeholder participation.

Overall, therefore, three primary assumptions emerge to guide this study. Firstly, a participation process in a voluntary organisation where the stakeholders are unable to influence decisions can be described as a window-dressing. Secondly, the participation process is multi-dimensional. The levels of influence stakeholders have on decisions, the mechanisms of engagement used to convey the stakeholders' level of influence in the decision making process, and the stage in the decision-making cycle where participation occurs, are inter-related to build a complete picture of participations. Thirdly, as Blagescu et al. (2005) argue, stakeholders must make sure they have and are provided with, relevant information about the voluntary organisation and the participation process in order for a voluntary organisation to engage appropriately and effectively with its stakeholders. Both participation and transparency should thus be interlinked in order to provide an effective and proactive form of accountability.

2.6 CONCLUSIONS

Accountability, as the opening to this chapter acknowledged, is a complex and contested concept. This chapter has unpacked some of the key elements of this contestation, drawing attention to the embedded debates over responsibility and accountability and how these concepts might apply to the practices of voluntary organisations. In so doing, it has characterised two schools of thought, be it narrow or broad perspectives of accountability. Each of these schools tends to over-privilege one primary dimension of accountability, either transparency or participation. In seeking to overcome this binary opposition, the chapter thus sought to put in place a ‘thick’ hybrid model of accountability that enabled the measurement of the interaction between transparency and participation. To this end, it investigated how we might begin to test or measure the elements of each of these dimensions, particularly the availability and type of information (transparency) and mechanism, levels of influence and stages of engagement (engagement and participation). There are various factors, for instance formality, board structure, board function, and organisational characteristics, that may influence the level of stakeholder participation in a voluntary organisation’s decision-making process, as well as the transparency displayed by a voluntary organisation. Neligan (2003) and Blagescu et al. (2005) suggest other contextual factors within the governance system of a voluntary organisation, such as the existence of policies and governance standards which might have a knock-on-effect on the level of the voluntary organisation’s transparency and engagement with stakeholders. However, such debates take us further into the realm of methodology and survey design and the capacity to capture data on such variables. It is thus to such questions that I now turn.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the methodological design of this thesis, the procedures and tools used for the purpose of data collection and analysis. Initially, it discusses the philosophical positions in social science research before identifying the philosophical approach of the methodology adopted in this study and outlining its overarching research questions and propositions. It then turns to the definition of the sampling unit for the study and questions of the survey design and construction of the questionnaire used in the study. This discussion subsequently considers the sampling strategy, identifies the population, selection of sample, and piloting and pre-testing of the survey. With these methodological building blocks in place, the chapter sets out the data collection process and discusses the validity of the sample. The final sections of the chapter explore research ethics and discuss the limitations of the methodology used to generate data and investigate the key propositions of the thesis.

3.1 Philosophical approach of the methodology

This section provides a brief overview of the main philosophical approaches underpinning the methodological design of this study. It is commonly asserted that there are two main philosophical positions from which social science research can be conducted: positivism and social constructionism (Easterby-Smith., 2008; Thietart et al., 2001). These philosophies perceive the world in opposing ways and offer different methodologies for understanding reality and extracting

knowledge from reality (see Table 3.1). Indeed, each philosophy is based on two key assumptions. Firstly, an ontological assumption which concerns the way reality is understood, and secondly an epistemological assumption which concerns the way knowledge is perceived and extracted from the understood reality. Given that the two philosophical underpinnings offer different methodologies for understanding reality (i.e. ontology) and how to extract knowledge (epistemology) from reality; there is always going to be a link between the choice of philosophy, the methodology being used, and the epistemological and ontological positions. Certain methodological elements are employed by certain epistemological positions associated with certain ontologies (Tashakkori and Teddlie, 1998; Johnson and Duberley, 2000; Easterby-Smith, Thorpe, and Jackson, 2008; Thietart et al., 2001).

More specifically, positivism, or ‘the scientific approach of enquiry’, regards the existence of reality in the social world as independent from an observer’s feelings, sensation and reflection, so that reality exists externally to the observer. Knowledge can be understood only from observed facts and should be extracted from reality using objective methods. Positivist studies thus normally start with hypotheses, which are tested through experiment using techniques to measure outcomes and to determine their causation (Bryman and Bell, 2003; Easterby-Smith, Thorpe, and Jackson, 2008). Typically for example external realism focuses on the notion that the world exists externally and people experience the world directly so that they can see it exactly as it is: there is no room for doubt. According to this position, people sense the existence of the truth in an absolute sense so that truth has to be objective and, therefore, knowledge. This position has been criticised because it does not allow subjectivity at all. By saying that people sense objective truth directly it

does not allow for two people seeing the same thing to see it differently (Johnson and Duberley, 2000; Easterby-Smith, Thorpe, and Jackson, 2008; Thietart et al., 2001).

In contrast, the social constructionist view argues that reality is established by sharing views and experiences between people via the medium of language. Reality does not exist independently of the observer, but it is brought into being or constituted through ideas, language and beliefs or different discourses. According to this approach, the primary way for an observer to extract knowledge in the world of social science is thus to critically examine how people bring the world into being by identifying and engaging with the stories and narratives that compose their 'multiple realities' (Easterby-Smith, Thorpe, and Jackson, 2008). Nominalism is about the names and labels people attach to experiences and events (Easterby-Smith, Thorpe, and Jackson, 2008). Its view of reality, as stated in Johnson and Duberley, (2000 p. 78) is that it is "a product of our minds," so that it does not allow for the existence of objective truth. Nominalism is totally subjective. It does not accept the existence of the real world. People only experience what is in their minds. This can vary from one person to another: people might sense the same object differently. Thietart et al., (2001) argue that by not accepting objective truths nominalism does not allow for knowledge.

Table 3.1 A comparison of positivism and social constructionism

	Positivism	Social Constructionism
The observer	Must be independent	Is part of what is being observed
Human interests	Should be irrelevant	Are the main drivers of science
Explanations	Must demonstrate causality	Aim to increase general understanding of the situation
Research progresses through	Hypotheses and deductions	Gathering rich data from which ideas are induced
Concepts	Need to be defined so that they can be measured	Should incorporate stakeholder perspectives
Units of analysis	Should be reduced to simplest terms	May include the complexity of 'whole' situations
Generalization through	Statistical probability	Theoretical abstraction
Sampling requires	Large numbers selected randomly	Small numbers of cases chosen for specific reasons

Source: Easterby-Smith, Thorpe, and Jackson, 2008 (p. 59)

This thesis seeks to tread a path between these two alleged extremes (see Table 3.2). It adopts a heterodox approach, which recognises the ontological assumptions of representative realism. As for a heterodox approach, representative realism, although it still believes that reality is independent and external to individuals, it suggests that individuals do not see the objective world directly, but see an appearance of the real world. For example, when a person sees an object, representative realism explains this by suggesting that the person views this object through a prism of generalised perceptions which causes the image of the object to be formed in the person's mind and after that knowledge is exposed through collective ways of acting or thinking (Johnson and Duberley, 2000; Easterby-Smith, Thorpe, and Jackson, 2008; Thietart et al., 2001). Therefore, the challenge is to access / expose the multiple realities and critically evaluate their collective ways of acting. As such, this heterodox approach uses a cross-sectional methodology that enables several variables to be measured at the same time in order to examine potential relationships between them. This type of enquiry requires a relatively large sample to enable the researcher to make an approximation of reality. This epistemology underpins surveys as the most suitable technique for

data collection (Easterby-Smith, Thorpe, and Jackson, 2008). The most important question representationalism asks is whether the research results are an accurate reflection of reality. To be able to answer this question the researcher needs to look at the sample size to determine whether it will be sufficient to generalise the research findings for the entire population (Easterby-Smith, Thorpe, and Jackson, 2008).

Table 3.2 Methodological implications of different epistemologies.

Social science epistemologies	Positivism	Heterodox	Social constructionism
Elements of methodologies			
Aims	Discovery	Exposure	Invention
Starting points	Hypotheses	Propositions	Meanings
Designs	Experiment	Cross-sectional	Reflexivity
Techniques	Measurement	Survey	Conversation
Analysis/interpretation	Verification/falsification	Probability	Sense-making
Outcomes	Causality	Correlation	Understanding

Adapted from Easterby-Smith, Thorpe, and Jackson, 2008 (p. 63)

Having established the ontological and methodological assumptions underpinning this study, I now turn to questions of research design.

3.2 Research Questions

As I set out earlier, this study seeks to provide a systematic study of the empirical practices of accountability in the voluntary sector across England and Wales. In so doing, it seeks to ‘test’ a

thick interactive model of accountability, as well as teasing out the complex relations between such variables as organisational characteristics, policies, and practices of transparency and dimensions of participation. The research design is thus informed by a number of decisions and assumptions from the outset. First, empirically, I decided to focus the study on England and Wales because all voluntary organisations within this geographical area are registered with the same regulatory body, the Charity Commission in England and Wales. For the purpose of this study, all voluntary organisations that are registered with the Charity Commission conform to the same classifications and regulatory boundaries. As for voluntary organisations which are located in Scotland and Northern Ireland, they are registered with different regulatory bodies. Therefore, this study focuses only on England and Wales.

Secondly, the research assumes that various organisational and governance factors across voluntary organisations may have an explanatory link to its practices of accountability. Hence one of the main purposes of this study is to establish which the key organisational and governance factor(s) impact on accountability and then to assess their explanatory power in relation to practices of accountability and the proposed accountability framework. With this in mind the research questions are:

1. How can accountability in the voluntary organisation be best understood?
2. What is an appropriate model of accountability for voluntary organisations?
3. What variables have the highest explanatory power in relation to accountability practices within voluntary organisations?

More specifically, from the research questions, a set of research propositions were developed. They are summarised systematically here:

A. Examining the relationship between the two dimensional framework of accountability and multiple formal variables:

There is a relationship between the accountability framework and the

- i. Existence of policy on participation.
- ii. Existence of participation policy guidelines.
- iii. Existence of policy on transparency.
- iv. Existence of transparency policy guidelines.
- v. Existence of code of board practice.

B. Examining the relationship between the two dimensional framework of accountability and board functions:

There is a relationship between the accountability framework and

- iii. Managerial oriented board.
- iv. Strategic oriented board.

C. Examining the relationship between the two dimensional framework of accountability and variables within board structure.

There is a relationship between the accountability framework and

- iii. Board size.
- iv. Number of board committees.

- E. Examining the relationship between the two dimensional framework of accountability and organizational characteristic variables:

There is a relationship between the accountability framework and

- v. The size of voluntary organisations in terms of annual income.
- vi. Source of income.
- vii. The age of voluntary organisations.
- viii. Affiliation within a regulatory body or network.

3.3 Towards a Definition of Voluntary Organisations (VOs)

Voluntary organisations or the third sector have traditionally been subsumed or grouped under the banner of non-governmental organisations (NGOs), with studies tending to focus on the characteristics of such organisations in terms of their structure, functions, and geographical location (Salamon, 1992; Kendall and Knapp, 1993, 1996). One starting point is thus to consider the broad questions of sampling in relation to the third sector or NGOs. However, the NGO sector is itself extremely diverse, heterogeneous and populated by organisations with hugely varied goals, structure and motivations. Voluntary organisations can be NGOs, but NGOs are broadly described as interest groups, pressure groups, and non-profit organisations, as well as voluntary, charitable and third sector organisations. Thus, Yaziji and Doh (2009), in an effort to make sense of this complexity, classify organisations according to two dimensions: first, the intended beneficiaries whom an organisation serves, whether self-benefiting organisation or other-benefiting organisations; and second, the type of activities, be it advocacy organisations, service organisations, or hybrid and evolving organisations.

In short, it is not an easy task to find a common definition of the term 'non-governmental organisation' which facilitates the identification of a 'neat' survey sample, although there are shared common organisational characteristics, be it the absence of profit-sharing, voluntary participation, institutional formality, and an orientation towards public action. Salamon (1992) suggests that each attempt at an all-encompassing definition highlights one part of the wider not-for-profit sector, be it voluntary organisations or charities and creates labels that can sometimes be used interchangeably. Najam (1996a) argues that absence of a generally accepted classification causes confusion, and that adopting terms in isolation can be problematic. Illustrating such complexity, Uphoff (1996) argues that NGOs are located within the private sector but in its not-for-profit service subsector rather than in the third sector which he thinks belongs to membership organisations and cooperatives. He argues that 'describing NGOs as a third sector is misleading, the real third sector, located somewhere between the public and the private sectors in institutional space, belongs not to NGOs but rather to people's associations and membership organisations' (p. 23).

Recognising these difficulties, and the heterogeneity of the voluntary sector, this study first investigated the definition of voluntary organisations as set out at the time of the survey by the National Council for Voluntary Organisations (NCVO) and the UK Voluntary Sector Almanac (2007) and the UK Civil Society Almanac (2008). It thus considered the following six criteria in terms of discussing voluntary organisations. First, organisations had to have a structured organisational form which excludes large numbers of informal community based or temporary associations. Second, organisations were required to be constitutionally and institutionally

independent from the statutory and private sectors which exclude registered charities that were also quasi non-governmental organisations (quangos) or non-departmental public bodies (NDPBs). Third, organisations had to be non-profit seeking in that they did not distribute profit to shareholders, owners or members and all surpluses were to be directed to the organisation's charitable activities and non-distributed for personal benefit, thereby excluding cooperatives from the definition of voluntary organisations. Fourth, organisations were to be considered independent, to the detriment for example of charities that operated under the umbrella of the National Health Service (NHS) as these were seen as ultimately under the control of a statutory body. Fifth, organisations had to demonstrate a substantial degree of voluntarism either in terms of money or time donated. Finally, in terms of private benefit and public benefit, organisations that existed solely for the benefit of their own members friendly societies, benevolent societies, trade associations and professional bodies, housing associations, independent schools or faith groups were all excluded, although some might argue that religious groups' constitutions and activities do have wider public benefits. With these criteria in mind, Table 3.3 below at the time of the survey in 2008 the number of registered charities with the Charity Commission in England and Wales, distinguishing the number of organisations registered with the Charity Commission that did not meet the criteria for inclusion and those that did meet the criteria to be included in the voluntary sector definition adapted by the NCVO.

Table 3.3: Number of registered charity with the Charity Commission

Year 2006		Under £10k	£10k- £100k	£100k- £1m	£1m- £10m	Over £10m	Total
Registered with the Charity Commission		94,690	49,003	19,345	4,715	652	168,405
The voluntary sector		79,312	43,201	16,803	3,112	332	142,760
Excluded Organisations		15,378	5,802	2,542	1,603	320	25,645

Adapted from The UK Civil Society Almanac 2008 p.144

However, by definition, these criteria did exclude a proportion of potentially significant respondents. The charity sector has two main criteria which were stipulated in the Charity Act 2006. First, the organisation's purpose had to fall under a list of functions. These functions were relatively broad from the prevention or relief of poverty to the advancement of health or the saving of lives, and on to the advancement of animal welfare. Second, the purpose must be for the public benefit, be of actual benefit and benefit the public as a whole or a significant section of it. It is for this reason that not all not-for-profit organisations could be considered charities since this clause automatically excludes any organisation that acts solely for the benefit of its membership. However, this does enable charities to take a variety of legal forms, including for example: companies limited by guarantee (Charitable Corporation) or Trusts and Foundations.

In fact, at the time of the survey, the House of Commons Public Administration Select Committee, in its July 2008 report, "*Public Services and the Third Sector: Rhetoric and Reality*," referred to the non-governmental organisations as organisations which are 'value driven and which principally

invest their surpluses to further social, environmental and cultural objectives. This includes a wide range of organisations, which take different forms and are regulated in quite different ways' (p.5). It estimated that there existed around 160,000 charities, which were voluntary (trustee) led organisations, delivering public benefits established in law and overseen by the Charity Commission. Other grassroots voluntary and community organisations, were, it concluded, 'often on too small a scale to register as charities, and too numerous to count' (p.5). It also identified some 55,000 social enterprises, as well as approximately 8,000 cooperatives and mutuals.

At this stage, it is worth noting that the definition of public benefit is not without difficulty. As suggested, it is a characteristic which cannot be applied to all sectors or which can sometimes be applied but in various degrees. For example, the application of the public benefit test in the voluntary sector has a stringent approach which made it impossible for a large number of organisations to be included in the definition of the voluntary sector. However, term charity and the NGO sector definitions have employed more flexible understanding to the term public benefit which made it easier for organisations to be included within these two sectors rather than the voluntary sector. The definition of the third sector gives an even looser understanding of the term public benefit, where organisations are not essentially required to comply with the public benefit approach in order to be classified as a part of the third sector. A characteristic which cannot be applied to all sectors is formality, where informal community based associations and associations which are established on ad-hoc bases are excluded from the voluntary, the charity and the NGO sector while they are included in the definition of the third sector. These conditions were thus taken into account in the construction of the sample and the interpretation of the limitations of the data generated.

So far and based on the identified organisations' characteristics in all of the sectors defined above, it is clear that the voluntary sector groups organisations within a narrower set of boundaries, especially when compared to the third sector as it includes all organisations classified as charities and NGOs, and in addition a very large category of unregistered/ informal community based associations. However, limiting our discussion to the boundaries of the voluntary sector as defined above risks drawing false boundaries between charitable organisations sharing many organisational characteristics. Therefore, and for the purpose of identifying the unit of analysis for this current research, I shall define voluntary organisations in England and Wales (the scope of this research) as belonging to the set of registered charities with the Charity Commission for England and Wales.

3.4 Survey Design

Just to recap, the aim of the methodological elements of the research design of this thesis is to expose reality rather than discover reality. According to the post-positivism approach which is the epistemological position of this thesis getting full access to reality in social research is extremely difficult or maybe impossible. Hence, this thesis aims to identify the factors that can explain reality as much as possible in order to establish an approximate picture of reality. This can be reached by establishing and testing propositions regarding the relationships between different factors in order to identify the factors that contribute the most in exposing the reality

(the issue under investigation in this research is strengthening accountability in the voluntary sector). The research is cross-sectional conducted via questionnaire survey.

This study is best categorised under the heterodox approach. The distinctive trait of the heterodox approach is that it allows researcher to capture a large amount of data translated into results which can be generalised over the whole population. The main aim of the heterodox approach is to provide an approximate picture of reality based on probabilities. The higher the probability the closest the picture is from reality. The best way to operationalize this approach is through a cross sectional survey design. It uses descriptive and statistical analysis in order to make sense of the data.

The questionnaire survey was comprised from 22 questions mostly a ‘tick box’ type of questions. The length of the survey was decided based on two things firstly, not making the questionnaire too long so that respondents will get tired answering it. Secondly, questions should be easy to understand. The questionnaire was pre-tested by asking colleagues within the faculty of business and law to go through and answer all questions. It took them around 15 minutes on average to answer the questionnaire. In terms of clarity, there were no reported difficulties in understanding questions.

The survey was administered online. I chose online survey because partly it is cost effective and also when I collected the data in 2008 the online surveys have shown increasingly the popularity of the internet.

3.4.1 Construction of the questionnaire

The purpose of the survey centred on gaining an overarching picture of voluntary organisations capacities and practices with regard to accountability. There are four main areas the researcher has identified in an organisation's environment and these are: organisational capabilities, issues of governance, issues of transparency and lastly issues of stakeholder participation in decision-making process. Another purpose of the survey is to test relationships between variables within these four areas in order to find out the best possible solution for accountability. The research administered a structured questionnaire survey which was presented mainly in closed-ended format with categorical, ordinal and continuous type of questions. Some categorical questions gave respondents an opportunity to add other categories according to their practices.

Organisational capabilities: In this section respondents were asked a series of questions concerning seven organisational capabilities: the charitable legal status of the organisation as registered with the Charity Commission, its affiliation (or not) to an umbrella group, its primary purpose, as well as its age and size (annual income, number of staff and volunteers). The first question in this section was an open ended question asking respondents to write down their primary nature or purpose. Four out of seven questions in this section are continuous type of questions demand respondent to write a number in a designated space to reflect their answer. Two questions were categorical with one of them with an open ended close.

Issues of governance: Respondent organisations were asked a series of questions concerning codes of governance, motivations and consequences of adhering to code of governance, and board membership, as well as questions on board functions and responsibilities, levels of satisfaction about the engagement of board members, and the number and type of board sub-

committees that exist. This section consists of six questions; four of them were categorical and two were ordinal type of questions. A five-point Likert scale was used in this section to measure board involvement and satisfactory level in governance.

Policy and Guidelines: Policy is a contested concept, which in practice is often confused with guidelines. Here, however, I distinguish for analytical purposes between policy and guidelines. Following the work of Hogwood and Gunn in Cairney (2012) I define a policy as an expression of intent whereas guidelines relate to the specific practices, rules and procedures put in place to ensure the practical realisation of the policy. In other words, policy is a vision whereas guidelines is how you get there, hence policy and guidelines as variables arguable impact differently upon outcomes, be it transparency or participation (Knill and Tosun 2012).

It may be assumed that if policies are in place then guidelines are in place. Equally, it could be assumed that policies and guidelines are locked into a positive relationship – one supports the others. Indeed, arguable, it is not ill judged to expect policy/guidelines in one sphere such as participation to enforce those in others (such as transparency). However, such assumptions are not proven.

Therefore, it is important for this study to test the existence of policy and guidelines in separate propositions in order to measure their impact on the level of transparency and participation in the voluntary sector and their inter-relationships. This distinction between policy and guidelines is essential to identifying their impact on accountability.

To this end, the next two sections outline the proxies used in the questionnaire for testing the level of transparency and participation plus the existence of policy and guidelines for transparency and for participation as well.

Transparency: Issues of transparency were divided into policies regarding transparency and level of transparency. There were three questions included in the questionnaire examine these issues. One of the three questions was put on a five-point Likert scale to assess the level of transparency. The other two questions one of them investigates the narrow understanding of policy as a principle which only asks about the nominal existence of a transparency policy. The other question had a thicker understanding of policy which focuses on the principle plus guidelines that is the content of the policy. Both questions were categorical with an open ended tail to allow respondents to add more categories as appropriate.

The level of transparency was assessed by examining the public availability (or not) of six items of information. These are: details and descriptions about each activity and programme of the organisation; a list of key staff, specifying their contact details and the scope of their responsibilities; details about the organisations impact on society; any codes, partnerships or coalitions to which the organisation is a signatory; information on the governing board members and the executive; and finally openness on how stakeholders can input into the different levels of decision-making. These six items were taken from the One World Trust Global Accountability Project (GAP) (Blagescu et al., 2005 p 40-41). The six items were put on a Likert scale ranging from 1 which indicates that respondent never made information available and up to 5 which indicate that information was made frequently available.

As for policies regarding transparency, the survey sought to analyse whether organisations had formal commitments or policy behind transparency practices or whether much depended on the ad hoc work of officers. It sought to identify the existence within organisations of policies on transparency and the guidelines and procedures associated with those policies.

The narrow understanding of transparency policy was considered in the questionnaire by asking respondents whether they have in place a formal or informal transparency policy (in nominal term) and if not why not. The thicker, more expandable understanding of policy, which covers the principle plus guidelines (policy content) was presented by a question consisted of seven categories. Policy content and guidelines are vital for a policy to be effective that is without clear guidelines for implementing a policy then the existence of the policy itself as a nominal would be useless.

Drawing again upon the study of Blagescu et al. (2005), I thus pinpointed seven items to test for the policy's contents (rules, guidelines, procedures). Respondents were asked whether their transparency policy highlights how to make an information request; the timeframes for dealing with the request and details of how response will be made; details of the rules governing decisions; costs of obtaining information; what information it regards as confidential and why; and other areas the policy might highlight.

Participation: Issues of participation constitute six closed ended questions, three of them correspond to the model of participation informing this study which consists of three interlinked processes: stage of engagement (the stage of decision-making cycle in which participation occurs); the level of influence stakeholders have on decisions; and the engagement mechanism used in the participation process. These three processes (dimensions) were adapted from

(Nilegan, 2003). Respondents were thus asked a series of categorical questions concerning these three processes, as well as how these processes affected or impact upon five different stakeholder groups: beneficiaries; donors; government; staff; and others. Each process was characterised by different practices which were comprised of five items ranging from high to low (in relation to the categories of Arnstein's ladder of engagement (see Chapter Two). The design of these three questions enabled the researcher to analyse them as both categorical and ordinal type of questions. As for the other three questions investigating the issues of participation two of them investigated the issue of participation policy. With regard to this the questionnaire survey has differentiated between narrow and the thick understanding of policy regarding participation just in the same way as mentioned in the above section of transparency. The other question looked at the level of different stakeholders' importance to respondent organisations which used a five-point Likert scale ranging from not-important to extremely important.

3.5 Sampling strategy

The validity of this study and its findings rests on its sampling strategy and its generation of a legitimate and appropriate sample of respondents. Knowledge generation comes from the ability of the research to generalise findings from a sample to the entire population so that an approximate picture of the accountability practices of the voluntary sector will be reflected reliably in the research findings. With this in mind, the sampling strategy was based on three core principles. Firstly, the sample should be selected randomly in order to minimise bias so that each subject in the population should have the same chance to be selected in the sample. Secondly, the size of the sample should be relatively large so that will enable the research findings to be generalised on the entire population. Thirdly, the instrument used to collect data

should be pre-tested for the validity and reliability of the questions included in the instrument before the administration to the identified research subjects being carried out.

3.5.1 The population

There are around 161,000 voluntary organisations (VOs) in England and Wales registered with the Charity Commission. The GuideStarUK² database provides information about all organisations registered with the Charity Commission in England and Wales. The GuideStar database divides voluntary organisations (VOs) into nine strata according to the size of their annual income. Table 3.4 shows the number of VOs in each stratum.

Table 3.4 NGO categories according to their annual incomes

No	NGO strata	Number of NGOs	%	Description
1	Less than £1000	26,391	62%	micros
2	£1000 to £9,999	42,526		
3	£10,000 to £24,999	32,158		
4	£25,000 to £99,999	30,128	27%	small VOs
5	£100,000 to £249,999	13,615		
6	£250,000 to 999,999	10,337	10%	medium and large VOs
7	£1,000,000 to £9,999,999	5,362		
8	10,000,000 to 24,999,999	597	1%	extra-large and super extra-large VOs
9	25,000,000 and over	311		
Total		161,426	100%	

Source: adapted from GuideStar UK www.GuideStar.org.uk

² www.guidestar.org.uk Is a source of information about all NGOs registered with the charity commission in England and Wales. GuideStar UK was developed in 2003 in partnership with the Charity Commission; it was funded mainly by the Treasury and by grant giving Trusts in the UK and US.

Voluntary organisations vary in size and complexity. In order to be able to draw a representative, sizable sample that mirrors the target population, and also in order to be able to apply or generalise the findings for the target population (Fink, 2003), the thesis restricts the sample's population to strata 6 and 7. Hence the scope of the study includes voluntary organisations with annual incomes ranging between £250,000 and £10million. These consist of 15,699 organisations.

3.5.2 Selection of sample

Having identified the target population, the next step was to collect information about each subject included in the sample. The GuideStar UK database is designed to provide information about up to 500 NGO subjects in each search and these are selected randomly by the system, so that it was not possible to acquire a complete list containing information about the 15,699 subjects. To overcome this problem a request was submitted to the Charity Commission who owns the register. According to the Commission's policy on information provision as published on their website³, the Commission will be able to provide a copy of the register for academic use upon request. After the request had been sent out I had some delays in receiving feedback from the Charity Commission, expected in 20 working days. Despite constant reminders, I did not get any useful support from the commission after four months of the initial request. I later had to generate the sample myself manually which took me an additional three months. The only option left to me in order to generate a reasonably unbiased sample from the target population, was to use the GuideStar database which holds information about the whole target population 15,699 NGOs. The

³ <http://www.charitycommission.gov.uk/registeredcharities/copyrightreg.asp> Charity Commission Policy on Provision of Electronic Copies of Publicly Available Information

database can randomly retrieve up to 500 NGO records randomly in each time the search is run after the range of the total annual income of NGOs been selected. NGO records were searched by using four keywords: Trust, Limited, Foundation were used, leaves last keyword empty. This method of searching the database provided 2,000 records for each stratum of NGO total annual income; therefore I managed to retrieve 4,000 records for the two ranges of annual income.

The 4,000 records were printed out on lists; the types of the information provided on the lists include the name of the NGO, the webpage address and description of the organisation's mission. In order to acquire more useful information about an NGO such as the email address, postal address and telephone number, I had to access the all webpage addresses mentioned on the lists one by one online. The acquired information was then put into distribution lists and were stored on the outlook email account. The records were sometimes duplicated or some time the webpage did not provide an email address of the NGO therefore, the net number of the NGO records went down to 3,100 records.

3.5.3 Piloting and pretesting of the instrument

After the initial design of the questionnaire was reached, the questionnaire went through several reviews before being piloted on a number of NGOs. The questionnaire was sent to be reviewed by several academic members in the faculty of business and law, most involved in research activities, however some were in other areas than accountability and governance. Most have had longstanding involvement in a charity type of organisation, some as board members, so that they are most likely to have the experience and understanding of the governance and accountability

practices in the charity type of organisations. The assumption was that they should be able to provide an evaluation of the questions included in the survey in terms of the extent of the reliability and whether the questions are relevant and valid to be asked in the light of the research context and aims.

Accordingly, after pilot-testing the questionnaire, suggestions and comments collated were very useful in improving the questionnaire design. After the final version of the design was reached the questionnaire was ready to be piloted on a number of NGOs. The questionnaire was then sent to 30 NGOs electronically via the Internet. NGOs were asked to printout the attached questionnaire survey, fillout and return by post. I received one response from an NGO where all the survey questions were attempted.

The result of the piloting was considered to be satisfactory for two reasons. Firstly, all the questions were attempted by the respondent organisations which means questions were not difficult to understand and answer. Secondly, of the several reviews that the questionnaire had to go through before being piloted, there were very minimal changes spelling and using clearer word in few places in the questionnaire.

3.6 Data Collection

On the 21 may 2008 I sent out e-mails to 3,100 NGOs in England and Wales asking them to fill in my research questionnaire survey, the e-mails were directed to the chief executive/ manager. An overview of what the research is about and the areas that the questionnaire is focusing on were

included in the emails. A link to the questionnaire survey was also enclosed in the e-mails so that organisations could complete the survey on line.

After the email was sent out to a 3,100 NGOs I started to receive many undelivered e-mails for different reasons. A total of 513 undelivered e-mails were returned, of which 205 e-mails were returned for the reason of not reaching the recipient's e-mail system so that I did send my original e-mail to the 205 e-mail addresses again and as a result of this I received a total of 78 e-mails returned back undelivered. The net number of addresses that the survey failed to reach was 386 $[(513-205) +78]$ so that the final sample size after deducting the undelivered e-mails after the survey being sent out was $(3100 - 386)$ 2714 NGOs.

After the questionnaire survey was sent out on the 21st May 08, I waited two weeks before the first reminder being sent. Reminders were sent four times during one month period after the first two weeks have past. The tool that I used for the survey being published online allows administrator to monitor the flow of the survey submission so that enables me to see how many surveys being submitted in each day and on which days the flow is high and on which days the flow is low so that I was able to organise sending the reminders and also this allowed me to decide which day of the week would be the best to send the reminders on.

The population interaction with the research survey was high as I received many emails from NGOs regarding the survey. 250 NGOs completed the questionnaire survey equal to an approximate response rate of 9% of the sample. Almost 73% of the respondent organisations expressed their interest in the investigation by requesting a copy of the research summary.

3.6.1 Validity of the Sample

The sample was selected randomly from the population of voluntary organisations that fell within stratum 6 and stratum 7 of the annual income classified by the GuideStar UK database.

Table 3.5 compares the size and the type of activities voluntary organisations have, in the respondents' sample.

Table 3.5 Size and activities of the sample compared with other studies

Type of activities	The thesis		Dhanani& Connolly (2012 p1151)	
	N	%	N	%
The relief of those in need	45	18	15	20
Citizenship or community development	42	17	10	13
Education	34	14	8	11
The advancement of health	32	13	9	12
Art culture heritage or science	28	11	7	9
Other charitable purposes	27	11	9	12
Religion and the prevention or relief of poverty	22	9	9	12
Environmental protection or improvement	19	7	8	11
Total of the sample of respondents	249	100	75	100
The Organisation size			Cornforth& Simpson (2002 p456)	
	N	%	N	%
Respondents with income little below 250,000	12 ^a	5		
£250,000 – 1 million	130	54	155	53
£1 million – 10 million	97	41	136	47
Total of respondents in the sample	239		291	

Decided to keep them in the sample^a

The figures to some extent were comparable hence the researcher is relatively satisfied with the validity of the sample.

3.7 FACTOR ANALYSIS

Factor analysis aims in general to summarise a matrix of correlations by regrouping and placing variables into meaningful categories based on shared variance so that relationships and patterns can be discovered first and then be easily interpreted and understood (Kline, 1994). With these aims in mind, there were four steps I followed in conducting the factor analysis for the four original scales included in the questionnaire survey. The first step was to assess the suitability of the data for factor analysis. This assessment was followed by the second step of factor extraction before turning to the third step of factor rotation and interpretation of the results. The final step was to test the reliability of the solutions for each scale.

Step One: Assessment of the suitability of the data for factor analysis

There are two main issues to consider in determining whether a particular data set is suitable for factor analysis: sample size, and the strength of the relationship (inter-correlations) among the variables. While there is little agreement among authors concerning how large a sample should be, the recommendation generally is: the larger, the better. In small samples, the correlation coefficients among the variables are less reliable. Tabachnick and Fidell (2007) suggest that it would be comforting to have 300 cases or more for factor analysis. However, they argue that a sample size of 150 cases should be sufficient especially if solutions have several high loading variables i.e. the relationship of each variable to the underlying solution (factor). Some suggest that it is the ratio of the number of cases to the number of items within a scale that is of concern

rather the overall sample size. For example, Nunnally (1978) in Pallant (2007) recommends a 10 to 1 ratio, that is, ten cases for each item within a scale

Drawing on the above views, the largest scale used in this study was made up from 12 items and the overall size of the sample was 250 cases. The sample size was therefore assumed to be suitable and sufficient for conducting the factor analysis.

With these initial tests undertaken, I then subjected the data to an inspection to the strength of the inter-correlation among the items, the test of sphericity and the KMO index to evaluate the factorability of the data. According to Bartlett (1954) in Pallant (2007) Bartlett's test of Sphericity should be significant ($P < \text{or} = 0.050$) or less for the factor analysis to be considered appropriate. The KMO index ranges from 0 to 1, with 0.6 suggested as the minimum value for a good factor analysis (Kaiser, 1970, 1974 in Pallant, 2007). As for the strength of the inter-correlation among the items, Tabachnick and Fidell (2007) recommend an inspection of the correlation matrix for evidence of coefficients greater than 0.3.

Drawing on the above conditions, I inspected the correlation matrix for the four scales used in this study and found sufficient evidence of correlation coefficients between the items above the 0.3 level. Hence the initial inspection of the correlation between the items over the all four scales was satisfactory. As for the KMO and Bartlett tests, the results for the four scales as shown in Table 3.6 below reveal sufficient evidence to suggest the suitability of the sample for conducting the factor analysis tests; all the coefficients are significant and none of the KMO readings are below the threshold of 0.6.

Table 3.6 KMO and Bartless tests results

Name of the scale	Bartlett's test of sphericity	Kaiser-Meyer-Olkin (KMO)
Level of participation (SE scale)	P= 0.000	0.689
Participation procedure guidelines (PPG scale)	P= 0.000	0.850
Level of transparency (TR scale)	P= 0.000	0.841
Board functions (BF scale)	P= 0.000	0.806

Step Two: Factor extraction

Factor extraction involves determining the smallest number of factors that can be used to best represent the interrelations among a set of variables. As mentioned in Pallant (2007), there are a variety of approaches that can be used to identify (extract) the number of underlying factors. The most commonly used approach is principal components analysis PCA (Kline, 1994; Tabachnick and Fidell, 2007; Pallant, 2007). The main advantage of the PCA is that it explains all the variance in a correlation matrix whereas the other types of factor analysis make estimates from the data (Kline, 1994). However, the main limitation of the PCA is that naming the identified underlying factors may prove to be difficult because names may not accurately reflect the variables within the identified factor (Kline, 1994 and Tabachnick and Fidell, 2007).

So as far the factor analysis is concerned, this thesis adopts the principal component analysis (CPA) as a method for factor extraction. There are two issues that should be considered when it comes to extracting factors: the need to find a simple solution with as few factors as possible; and the need to explain as much of the variance in the original data set as possible (Kline, 1994). There are a number of techniques that can be used to assist in the decision concerning the

number of factors to retain: Kaiser's criterion, Scree plot inspection and parallel analysis. The Kaiser's criterion argues that only factors with eigenvalues above 1 are retained; the Scree plot focuses on the point at which the shape of the curve in the plot changes drastically and become more horizontal; finally, the parallel analysis involves comparing the size of the eigenvalues with those obtained from a randomly generated data set of the same size. Eigenvalues that exceed the corresponding values from the random data set are retained. A programme called Monte Carlo principal component analysis (PCA) for Parallel Analysis developed by Marley Watkins (2000) was used in this study to generate the eigenvalues from a randomly generated data set of the same size.

After taking all these methods of extraction into consideration, I now turn to report on the extraction outcomes for the four original scales used in this study. All the factor analysis outputs (tables and scree plots) are provided in the appendices at the end of the thesis under the title 'factor analysis.' The first scale is level of participation (SE scale) which was composed of three items: level of influence; mechanism of participation; and stage of participation. After inspecting the Kaiser's criterion, scree plot and the parallel analysis, all suggested a one factor solution which has the only eigenvalue that is above 1. The one factor solution was able to explain around 67.5% of the overall variance in the SE scale.

The second scale is the participation procedure guidelines (PPG scale), which contains six items as shown in table 3.7 below.

Table 3.7: The Items of the Participation procedure guidelines Scale (PPG scale)

<ol style="list-style-type: none">1. Information regarding engagement processes are circulated to key stakeholders in appropriate forms and through appropriate media.2. Information regarding engagement processes are made available to all stakeholders in appropriate forms and through appropriate media.3. Contact details for a relevant person in the organisation are provided4. Key stakeholders are not prevented from participation processes due to lack of physical access, communication barriers (language or expert terms) or financial constraints.5. The confidentiality of stakeholders during an engagement process is guaranteed by the organisation where appropriate.6. Disadvantaged groups are given special support and encouragement when their engagement is appropriate.

The results show that all the three methods of extraction have suggested a one factorial solution to the PPG original scale. The suggested extraction solution was the only factor to have eigenvalue that is above 1. The one factor solution was able to explain around 71% of the overall variance in the original scale.

The third scale is Level of transparency (TR scale): This scale was constituted from six items as detailed below in table 3.8.

Table 3.8: The Items of the Level of Transparency Scale

<ol style="list-style-type: none">1. Details and descriptions about each activity and programme2. Information on the governing board members and the executive3. A list of key staff, specifying their contact details and the scope of their responsibilities4. Details about the organisations impact on society5. Any codes, partnerships or coalitions to which the organisation is a signatory6. Openness on how stakeholders can input into the different levels of decision-making
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All the three methods of extraction have suggested a one solution to the original TR scale and is the only solution to have eigenvalue that is above 1. It was able to explain around 50% of the overall variance in the original scale.

Finally, the fourth scale was board functions (BF scale): This scale as shown in table 3.9 was made up from twelve items.

Table 3.9: The Items in the Board Functions Scale

1.	Setting organisational missions / goals
2.	Setting executive's compensation
3.	Establishing / reviewing budgets and financial objectives
4.	Setting organisational objectives
5.	Reviewing auditing and accounting policies and practices
6.	Approving significant financial transactions
7.	Fundraising efforts
8.	Advocacy activities
9.	Setting programme objectives
10.	Setting basic management policies
11.	Setting programme performance measures
12.	Setting staff compensation

The first two methods of extraction the Kaiser's criterion and scree plot both suggested a four factor solutions to the scale of board functions. Kaiser's criterion test resulted in four factor solutions having an eigenvalue above 1 and the four of them managed altogether to explain around 68% of the overall variance in the original scale. However, the parallel analysis test reveals that only the first two actual eigenvalues from the (PCA) have exceeded the corresponding values from the random data set which were generated by the parallel analysis test. The two component solutions were able to explain around 50% of the overall variance in the

original scale of board functions. Hence, I decided to retain two factor solutions to represent the scale of the board functions.

Step Three: Factor rotation and interpretation of the results

To determine the items in each solution, factor rotation comes here to help in identifying these items. It does not change the underlying solution rather it presents the pattern of loadings in a manner that is easier to interpret. The results from the extraction process show that the items for each of the first three scales SE, PPG, and TR have expressed only one dimension so no extractions came out of the three scales. As for the fourth scale BF the extraction process identifies two solutions.

As shown in table 3.8 the rotation process identified two dimensions to the fourth scale of Board Functions (BF scale). The first dimension was interpreted as managerial dimension because it constitutes five managerially oriented items. The second dimension was interpreted as strategic dimension because it constitutes seven strategically oriented items.

Table 3.10: The Scale of Board functions two factors extraction

Strategic responsibilities
1. Approving significant financial transactions 2. Establishing and reviewing budgets and financial objectives 3. Setting organisational mission and goal 4. Reviewing auditing and accounting policies and practices 5. Setting organisational objectives 6. Setting executive's compensation 7. Setting staff compensation
Managerial responsibilities
1. Setting basic management policies 2. Setting programme objectives 3. Setting programme performance measures 4. Fundraising efforts 5. Advocacy activities

The identified dimensions and their items were identical to those identified by other researchers such as Salamon and Geller (2005) in the study of governance and accountability practices of non for profit organisations in the USA. Hence, the validity of the BF scale and its two dimensions is confirmed by previous literature (Salamon, 2005).

Step Four: Testing the reliability of the solutions for each scale

Having done the factor analysis and identified the final scales that will be used in the analysis chapters the next step was to test the internal consistency of these scales. This refers to the degree to which the items that make up the scale hang together and are all measuring the same underlying construct. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach alpha coefficient of a scale should be above 0.7 (DeVellis, 2003 in Pallant, 2007). Cronbach alpha values are quite sensitive to the

number of items in the scale. Low Cronbach values are not uncommon with short scales. However, the results of the reliability tests for the scales were above the threshold of 0.7 so that all the scales were reliable (see Table 3.9). The lowest alpha was to SE scale with alpha = 0.75 and highest alpha was to PPG with alpha = 0.92.

Table 3.11 Summary of the factor analysis and reliability tests

Name of the scale	Assessment of the suitability of the data for factor analysis		Factor extraction	Reliability Alpha
	Bartlett's test	(KMO)	No solutions	
Level of participation (SE scale)	P= 0.000	0.689	1	0.750
Participation procedure guidelines (PPG scale)	P= 0.000	0.850	1	0.917
Level of transparency (TR scale)	P= 0.000	0.841	1	0.794
Board functions (BF scale)	P= 0.000	0.806	2	-
Strategic: 7 items	-	-	-	0.783
Managerial: 5 items	-	-	-	0.774

Table 3.9 summarises the results of the factor analysis and the reliability tests for the scales. It confirms the suitability of the scales for factor analysis. As set out above, there were two solutions identified to the BF scale, one interpreted as managerial and the other as strategic. The reliability tests for these new dimensions are also confirmed. Having completed the factor analysis and the reliability tests, the scales are now ready for the analysis, which will be undertaken in the next three chapters. However, in order to finalise the methodological steps set out in this chapter, I shall now move to discuss in the next section the ethical considerations of this study.

3.8 RESEARCH ETHICS

Research ethics were taken into consideration for the purpose of data protection, collection and throughout the study as well. The whole project was governed by the university's ethical

guidelines and standards. Four main ethical aspects were taken into account and these are:

First, the integrity and honesty of the researcher in making respondents aware of the purpose and objectives of the project. The researcher should be truthful and open about how the obtained data will be used and how the findings of the study will be disclosed (Blaxter, Hughes and Tight, 2010). Respondents were sent the questionnaire survey accompanied with a covering letter explains the purpose of the research and the structure of the questionnaire. Information about the researcher, address and contact details were provided in the letter. The second ethical factor was that participants should not be harmed by any mean as a consequence of their participation in the survey. Respondents were informed in the covering letter that the collected data (their answers to the questions) and the findings of the survey were going to be used specifically for academic purposes and not for any other use. All responses were obtained completely voluntary so that there was no compulsion to any respondent to respond to the survey what so ever. The third ethical factor was that respondents' privacy should be respected and protected. Respondents were given the choice to provide their name if they wished or keep their identity hidden. The online survey was published through a password protected site hosted by DMU. While a respondent is answering the survey he or she can change their answers to questions if they wish to but when questions are completed then at the end of the survey respondents will be asked to submit the survey. Once the questionnaire survey was submitted it cannot be tempered with or accessed again. The researcher was the website only administrator so that no one else had access the data beside him. The final ethical factor was about respecting the confidentiality of the actual data and not talk about it or discuss it with others and the reporting of the research findings will ensure that organisations and individuals cannot be recognised (Berg & Lune, 2004). In the covering letter the researcher assured full confidentiality for participants and

their answers to the survey were going to be used anonymously and only for academic purposes.

There was only very few cases where organisations did not have access to the internet so those respondents were provided with a hard copy of the survey accompanied with a an extra stamped envelope to use for sending the questionnaire back to the researcher after completing the survey.

3.9 CONCLUSION

In this chapter I began with discussing research philosophy giving particular emphasis to post-positivism. The research instrument developed for the data collection, sampling approach, data collection, and validity of the sample and the consideration of research ethics are outlined.

There is no research study is free of bias, limitations and restrictions. This is because the two philosophical approaches of positivist and constructivist perceive reality in a totally opposite ways. It is impossible to find a philosophical approach views reality as an absolute objective and as an absolute subjective at the same time. Therefore, no matter what the philosophical paradigm that a research is identified with, there will always be limitations in the methodology. In this sense what makes a research study sound is the extent of its closeness to the methodological principles of the research paradigm embedded in the study.

The quantitative survey of this study fits the methodological procedures of a heterodox paradigm. It is a cross-sectional survey design offers a combination of questions with a randomly selected valid sample comparable to sample figures in other studies and documents. The large size of the sample used in the analysis (250 VOs) plus the confirmation of its validity and that it was randomly selected, provide a good level of confidence to generalise the conclusion of the findings on the entire population. Having said that however, much of this based on how the results are interpreted, however these limitations are engaged in critical reflection discussion throughout the thesis. With this in mind, now the focus moves in chapter four to presenting the survey returns, then in chapter five and six I will be analysing the collected data and reporting the findings from the cross-tabulation and statistical regression analysis.

CHAPTER FOUR

PRACTICES OF ACCOUNTABILITY ACROSS VOLUNTARY ORGANISATIONS

This chapter undertakes a first reading of the results emerging from the survey returns. It reports on the five areas of the survey: organisational characteristics; governance; policies and extent of formality procedures for participation and transparency; transparency; and stakeholder participation in the decision-making process. The collective performance of organisations on transparency and stakeholder engagement at the time of the survey was at best inconsistent and at worse poor. Such inconsistencies in the application of the fundamental elements of what might constitute effective practices of transparency and engagement undermines what are often seen as self-reinforcing and continuous practices of accountability in the sector.

The chapter begins with an examination of the organisational characteristics of the NGOs who responded to the survey. It then turns to the analysis of the issues concerning the governance structures of respondents before considering practices of transparency and stakeholder engagement. With that in mind, I now turn to the question of organisational capacities.

4.1 ORGANISATIONAL CAPACITIES

The analysis of survey returns starts with an examination of the organisational capacities across the sample. Respondents were asked a series of questions concerning seven organisational capabilities. These included the charitable legal status of the organisation as registered with the Charity Commission, its affiliation (or not) to an umbrella group, its primary purpose, as well as its age and size (annual income, number of staff and volunteers).

4.1.1 Legal status

Almost three quarters of organisations (71 per cent) were registered with the Charity Commission as limited companies by guarantee, with approximately a quarter (26 per cent) registered as trusts, whilst a relatively small percentage (3 per cent) of respondents indicated that they took other legal forms. 40 per cent of respondents were affiliated to an umbrella body.

4.1.2 Range of activities

Respondent organisations were engaged in a wide range of activities. There was no discernable concentration of respondent organisations working within a specific charitable field of work. Organisations were relatively equally spread across the eight categories of activities devised to map their core activities. Working for those in need and undertaking community development captured just over a third of all respondents; religion and environmental protection accounted together for only 16 per cent of respondents.

Table 4.1: Voluntary organisations primary nature or purpose of existence^a

The primary nature or purpose of existence	%
The relief of those in need	18
Citizenship or community development	17
Education	14
The advancement of health	13
Art culture heritage or science	11
Other charitable purposes	11
Religion and the prevention or relief of poverty	9
Environmental protection or improvement	7
Total	100

^aNumber of respondents: 249, missing data: 1

4.1.3 Organisational age

In terms of the age of organisations in the sample (table 4.2), only a minority of organisations (8 per cent) declared themselves to be ‘very young’, or having been in existence for seven years or less. Only a fifth of respondents identified their organisation as ‘young’, or having existed for less than 14 years. On the contrary, most respondents, some 57 per cent, classified their organisation as being established or mature. Over a sixth, 16 per cent, declared themselves to be ‘very mature’, having existed for 50 years or more.

Table 4.2: Age of Voluntary Organisations^a

Age of NGO	%
Very young (7 years or less)	8
Young (8 - 14 years)	19
Established (15 - 24 years)	28
Mature (25 - 49 years)	29
Very mature (50 years or more)	16
Total	100

^aN = 249, missing data = 1

4.1.4 Number of staff

The majority of respondents, 54 per cent employ between 1 and 10 full-time staff, 58 per cent had between 1 and 10 part-time staff and around 32 per cent of the respondents recruit between 1 and 10 volunteers (see Table 4.3). Approximately a third of organisations had up to 100 full-time, part-time staff or volunteers. Only a small proportion of respondents employed over 100 paid staff, be it full-time or part-time employees, and about 10 per cent had over 100 volunteers. Indeed, it is worth noting that almost a fifth of organisations did not have any volunteers.

Table 4.3: Number of paid staff and volunteers^a

number of staff and volunteers	Full-time staff %	Part-time staff %	Volunteers %
None	6	10	21
2 or fewer	11	16	8
3 - 10	43	42	24
11 - 100	34	30	38
101 and more	6	2	9
Total	100	100	100

^aNumber of respondents: 249, missing data: 1

4.1.5 Annual income

Respondent organisations were divided into five income categories (see Table 4), which were adapted from the classifications put forward from the Charity Commission (Charity Commission, 2010). The annual income of respondents fell somewhat evenly across the income brackets from £250, 000 up to £5 million. These income brackets accounted for 90 per cent of all respondents. Relatively few organisations had an annual income of less than £250,000. Similarly, few had an annual income over £5 million. Twice as many respondent organisations had an income over £5 million compared to those with an income of less than £250, 000.

Table 4.4: Voluntary organisations' size measured by annual income^a

NGO size	%
Less than £250,000	5
£250,000 - £499,999	30
£500,000 - £999,999	24
£1m - £4,999,999	31
£5m and over	10
Total	100

^aNumber of respondents: 239, missing data: 11

4.1.6 Sources of income

At the time of the survey, it was estimated that about 34 per cent of the total annual income of the voluntary sector came from government sources (NCVO, 2008). This reliance on government funding was reflected in the survey returns, with 32 per cent of respondents having more than 50 per cent of their income awarded by government (see Table 4.5). However, reliance on government funding should not be overstated. 35 per cent of respondents did not receive any government funding at all, whilst a quarter of organisations relied on government for up to a quarter of their funding. 40 per cent of organisations relied on donations for up to a quarter of their income, whilst 34 per cent generated up to a quarter of their income from trading. 49 per cent drew on other sources such as income from rent. Approximately three quarters of all respondents attracted some funding from the private sector and individual donations. Almost two thirds indicated that they fund at least part of their activities by engaging in trade.

Table 4.5: Sources of income for voluntary organisations^a

As a % of the NGO's total annual income	Government source	Donations from private sector and individuals	Income from trading activities	Other sources of income
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	%	%	%	%
0 %	35	24	36	33
From 1% to 25%	20	40	34	49
From 26% to 50%	13	11	11	08
From 51% to 75%	12	10	08	05
From 76% to 100%	20	15	11	05
Total	100	100	100	100

^aNumber of respondents: 240, missing data: 10

4.2 Issues of Governance

Respondent organisations were asked a series of questions concerning codes of governance, motivations and consequences of adhering to code of governance, and board membership, as well as questions on board functions and responsibilities, levels of satisfaction about the engagement of board members, and the number and type of board sub-committees that exist.

4.2.1 Code of best practice

Almost all respondents, some 94 per cent, confirmed that their organisations adhered to at least one code of best practice in terms of its governance (see Table 4.6). Two-thirds adhered to a sector-wide code, whilst over half had an internally developed code of practice, and over a third adhered to government associated standards and a fifth to industry wide standards. Adherence to a code of practice was overwhelmingly associated with a motivation to improve management outcomes and processes. The motivation ‘to fulfil a desire to achieve excellence’ was thus endorsed by 84 per cent of respondents (see Table 4.7) and in many ways this was supported by the motivation to achieve transparency (80 per cent). Importantly for our analysis, adopting a code of practice was not tied to what we might term external demands, be it from

government, other funders or beneficiaries. Indeed, internal motivations were reflected in the assumed consequences of adopting a code of practice, which were defined predominantly as improvements to governance, accountability and transparency (see Table 4.8). Only half associated the adoption and following of a code of practice with an improved capacity to meet the goals of the organisation.

Table 4.6: Board code of governance^a

Board adherence to code of best practice	Yes	No
	%	%
Board adheres to code of standards	94	6
Adhere to sector wide standards	61	39
Adhere to internally developed standard	53	47
Adhere to government-associated standards	36	64
Adhere to industry wide standards	21	79
Adhere to other type of standards	16	84

^aNumber of respondents: 250, missing: 0

Table 4.7: Reasons for adherence to a code of governance^a

Reasons for adherence	%
Desire to achieve excellence	84
Desire to ensure transparency	80
Reputation and public image	70
Board monitoring	50
Government funder demands	42
Required to operate in field	38
Other funder demand	25
Beneficiary demands	21
Other influences	10
Media attention	8

^aNumber of respondents: 250, missing data: 0

Table 4.8: Consequences after adherence^a

Consequences of adherence	%
Improved governance	84
Improved accountability	80
Improved transparency	76
Improved board knowledge	72
Improved reputation	62
Improved staff knowledge	58
Improved staff/board ethics	54
Improved ability to meet goals	50
Improved staff attention to mission	41
Improved board recruitment	37
Improved fundraising	37
Improved staff morals	34
Other consequences	10

^aNumber of respondents: 250, missing data: 0

4.2.2 Board membership

There was relative uniformity in terms of board membership. Over half of respondent organisations had between 5 and 9 board members (see Table 9). Just over a third had between 10 and 19 members. Only five per cent of respondents had less than five members on their board, and no more than four per cent had more than 20 members on their board. In terms of board structures, 1 in 7 respondents had no board committees in place (see Table 10). This said, almost three quarters had between one and three committees, whilst 9 per cent have four and only 4 per cent had five or more.

Table 4.9: Size of Voluntary Organisation Boards^a

Board Size	%
Less than 5 members	5
5 – 9 members	55
10 – 19 members	36
20 and over	4
Total	100

^aNumber of respondents: 249, missing data: 1

Table 4.10: Number of board committees ^a

Number of committees VOs have	%
None	14
One committee	22
Two committees	26
Three committees	25
Four committees	9
Five committees	3
Six committees	1
Total	100

^aNumber of respondents: 249, missing data: 1

There were a range of different board committees in place (Table 4.11), from fund raising committees to personnel committees. Two categories of board committees dominated, with 54 per cent of boards having an executive committee in place and 51 per cent having established a finance committee. In contrast, only 6 per cent of the respondents had an appointment committee in place, and only approximately a fifth had a fund-raising committee.

Table 4.11: Type of committees

Type of committees	N	%
None	36	15
Executive committee	134	54
Finance committee	128	51
Other type of committee	81	33
Personnel committee	73	29
Fund-raising committee	52	21
Programme committee	27	11
Nominating committee	15	6

Number of respondents: 249, missing data: 1

4.2.3 Board involvement

Respondents were asked to evaluate their boards' involvement in twelve areas of responsibility, which were adopted from the work of Salamon and Geller (2005) (see Table 4.12). The boundaries between the work of board members and executive members and officers have been disputed. There has often been a division imposed between the strategic responsibilities of the board and the everyday managerial tasks of officers (Carver, 2006, p. 37).

I carried out a factor analysis (and subsequent reliability tests) on the 12 items of board responsibilities to identify what we might deem to be strategic and managerial dimensions of board responsibilities. This factor analysis clustered areas of responsibility into two dimensions: the first was composed of seven roles identified with strategic functions, whilst the second brought together the remaining 5 areas of responsibilities as managerial functions. Setting organisational missions and goals and objectives, reviewing executive and staff compensation, establishing and reviewing budgets and financial objectives, as well as auditing and accounting practices and policies, and the approval of significant financial transactions were all classified as strategic functions. Fundraising, advocacy, and the setting of programme objectives, basic management policies and programme performance measures were all considered to be managerial functions.⁴ Respondents were asked to rank board involvement with each item on a scale of 1 to 5. Score of 5 and 4 were considered to be high involvement; 3 and 2 low to medium involvement; and 1 no involvement.

Overall board members in respondent organisations were considered to be highly involved in the strategic duties, when compared to their perceived engagement in managerial activities (see

⁴ The reliability score for the strategic model/dimensions was .783, whilst it was .774 for the managerial model.dimensions.

Table 4.12). In less than four per cent of respondent organisations board members were not involved in exercising strategic responsibilities, although when considering the setting of executive and staff compensation this rose to 9 and 12 per cent respectively. These latter two areas of responsibilities were those least highly engaged in by board members, alongside setting organisational objectives. Over 70 per cent of respondents suggested that board members were highly involved in the setting organisational missions, reviewing budgets, approving financial transactions and reviewing auditing and accounting practices and policies.

However, this high level of perceived engagement contrasted markedly with the involvement of board members in managerial tasks. Approximately half of all respondent organisations claimed that board members had low to medium involvement in managerial roles and responsibilities, with up to 24 per cent and 27 per cent of respondents suggesting that board members were not involved at all in fundraising and advocacy activities. Only 35 per cent of respondent organisations asserted that board members were highly involved in setting basic management policies, which arguably comparable with the relative low score of board engagement highly involved in the strategic responsibility of setting organisational objectives (69 per cent).

When asked about their level of satisfaction with the extent of their board's involvement in strategic and managerial duties, organisational respondents were broadly satisfied with the existing division of responsibilities or board engagement (see Table 4.13). In terms of strategic responsibilities, over 70 per cent of respondents had a high level of satisfaction with strategic responsibilities in areas of finance, mission goals, and reviewing auditing and accounting

practices, although this fell to roughly two-thirds when considering board engagement in the setting of organisational objectives, and executive and staff compensation. In contrast, respondents reported lower levels of satisfaction with board engagement in managerial responsibilities, with over a third of respondent organisations demonstrating low and moderate level of satisfaction across all managerial responsibilities (this rose to almost half of respondents when advocacy and fundraising were taken in to account). Consequently 59 per cent of respondent organisations suggested that more board member involvement was required in fundraising, with 42 per cent calling for more engagement in advocacy activities (see Table 4.14). This said, and fundraising apart, the majority of respondents, did not call for increased engagement of board members in any of the strategic and managerial functions identified. Respondents might have expressed some criticisms of board members engagement, but further engagement was not necessarily seen as the 'solution'.

Table 4.12: Boards' extent of involvement in their responsibilities^a

Board functions	Highly involved (5,4)	Low to medium involved (3,2)	Not involved (1)	N of respondents	Missing data
	%	%	%		
Strategic responsibilities					
Approving significant financial transactions	81	16	3	250	0
Establishing and reviewing budgets and financial objectives	79	20	1	249	1
Setting organisational mission and goal	76	21	3	250	0
Reviewing auditing and accounting policies and practices	72	26	2	250	0
Setting organisational objectives	69	29	2	250	0
Setting executive's compensation	67	24	9	247	3
Setting staff compensation	52	36	12	244	6
Managerial responsibilities					
Setting basic management policies	35	54	11	248	2
Setting programme objectives	31	56	13	243	7
Setting programme performance measures	24	60	16	243	7
Fundraising efforts	27	49	24	243	7
Advocacy activities	21	52	27	241	9

^aInvolvement on each item scored on a scale from 1 (not involved) to 5 (highly involved)

Table 4.13: Organisation's level of satisfaction on Board involvement in functions and activities

Board function	High level of satisfaction (4,5)	Low to moderate level of satisfaction (2,3)	Not satisfied (1)	Total	Missing data
	%	%	%		
<u>Strategic responsibilities</u>					
Approving significant financial transactions	86	14	0	243	7
Establishing and reviewing budgets and financial objectives	75	24	1	243	7
Setting organisational mission and goal	74	23	3	245	5
Reviewing auditing and accounting policies and practices	73	25	2	243	7
Setting organisational objectives	68	30	2	243	7
Setting executive’s compensation	68	27	5	243	7
Setting staff compensation	67	28	5	239	11
<u>Managerial responsibilities</u>					
Setting basic management policies	63	33	4	239	11
Setting programme objectives	60	37	3	240	10
Setting programme performance measures	55	40	5	239	11
Advocacy activities	41	48	11	237	13
Fundraising efforts	35	50	15	239	11

^aLevel of satisfaction on each item scored on a scale from 1 (not satisfied) to 5 (highly satisfied)

Table 4.14: Organisation's perception on more board involvement in activities is needed

Board functions	Organisation's perception on more board involvement in activities is needed			
	Yes	No	Total	Missing data
	%	%		
<u>Strategic responsibilities</u>				
Approving significant financial transactions	12	88	246	4
Establishing and reviewing budgets and financial objectives	27	73	246	4
Setting organisational mission and goal	33	67	247	3
Reviewing auditing and accounting policies and practices	26	74	246	4
Setting organisational objectives	37	63	246	4
Setting executive's compensation	29	71	246	4
Setting staff compensation	19	81	242	8
<u>Managerial responsibilities</u>				
Setting basic management policies	19	81	243	7
Setting programme objectives	19	81	243	7
Setting programme performance measures	26	74	242	8
Fundraising efforts	59	41	244	6
Advocacy activities	42	58	243	7

4.3 Issues of Transparency

Having set out the organisational and governance structures of respondent organisations, I now turn to assess the practices of transparency associated with these internal structures and governance practices. The survey first investigated the level of transparency within respondent organisations by examining the public availability (or not) of six items of information. These included: details and descriptions about each activity and programme of the organisation; a list of key staff, specifying their contact details and the scope of their responsibilities; details about the organisations impact on society; any codes, partnerships or coalitions to which the organisation is a signatory; information on the governing board members and the executive; and finally openness on how stakeholders can input into the different levels of decision-making. These areas were adapted from the One World Trust Global Accountability Project (GAP) (see Blagescu et al., 2005 p.). Public availability was deemed to be in place if

information was available through an appropriate medium, be it website, annual report, bulletins, or annual review. Again, respondents were asked to provide a score on a scale of 1 to 5 where 4 and 5 represent frequently to always; 2 and 3 seldom to sometime; and 1 means never.

Overall, organisational respondents claimed to have been providing information regarding the six items (see Table 4.15). However, there were stark differences between the different pieces of information made available. Although 91 per cent of respondents indicated that they provide details and description about each activity and programme to their stakeholders on regular basis, only 55 per cent of respondents were frequently open on how stakeholders can input into the different levels of decision-making. 16 per cent of respondents openly admitted to 'never' conveying this information, whilst 39 per cent only did so infrequently. Between one fifth and a third of respondent organisations only infrequently conveyed or made public information concerning board details, staff listings, impact of programmes on society and codes or practice to which the organisations ascribed. 32 per cent of organisations in the study did not provide details regularly about the organisations impact on society, with 7 per cent never making such information available to their stakeholders. Similarly, information on the governing board members and the executive were not regularly made available by 26 per cent of respondent organisations, with 5 per cent never putting such information at the disposal of the public. Lists of key staff were seldom or infrequently made available by almost a third of respondents, with 6 per cent never providing information about the latter. Finally, 14 per cent of the respondent organisations have never provided information concerning the codes of governance to which they are signatory; 34 per cent made such information available infrequently.

Table 4.15: Transparency level scale^{a,b}

Q18 Transparency measures	Frequently (4,5) %	Seldom & sometimes (2,3) %	Never (1) %
Details and descriptions about each activity and programme.	91	7	2
Information on the governing board members and the executive.	73	22	5
A list of key staff, specifying their contact details and the scope of their responsibilities.	68	26	6
Details about the organisations impact on society.	61	32	7
Any codes, partnerships or coalitions to which the organisation is a signatory.	52	34	14
Openness on how stakeholders can input into the different levels of decision-making.	45	39	16

^aNumber of respondents: 245, missing data: 5

^bRanked on a scale of 1 to 5

The survey also sought to analyse whether organisations had formal commitments or policies behind such practices, or whether much depended on the ad hoc work of officers (see Chapter Six). It sought to identify the existence within organisations of policies on transparency and the guidelines and procedures associated with those policies. Policy content and guidelines are vital for a policy to be effective, that is without clear guidelines for implementing a policy then the existence of the policy itself as a (label) would be useless. Drawing again upon the study of Blagescu et al. (2005), I pinpointed seven items to test for the policy's contents (rules, guidelines, procedures). These seven items are: how to make an information request, the timeframes for dealing with the request and details of how response will be made; details of the rules governing decisions; costs of obtaining information; what information it regards as confidential and why; and other areas the policy might highlight. Over 95 per cent of respondents did not identify any other area their transparency policy highlights.

When organisations were asked whether they had a transparency policy in place, 47 per cent indicated that they have a formal written policy; 41 per cent had an informal unwritten policy;

and 12 per cent have no policy at all (see Table 4.16). Practices were thus relatively divergent across the sample, with no clear standard approach emerging from the returns. When they were asked for the reasons for not having a policy 10 per cent indicated that it was not important; 30 per cent indicated that there were not enough resources; 36 per cent indicated that stakeholders did not demand it; 9 per cent respondents indicated that there is no support from the Charity Commission; and 15 per cent indicated other reasons.

As for the substantive content or guidelines of transparency policies (see Table 4.17), although 62 per cent of organisational respondents indicated that their transparency policy highlights how a stakeholder can make an information request, 32 per cent indicated that their policy did not. 40 per cent of respondents indicated that they had no timeframes for dealing with information requests, compared to 54 per cent who had timeframes for dealing with information request in place. As for how responses would be made, 55 per cent did provide information on how responses will be made but 39 per cent did not while 6 per cent did not know. Only 52 per cent indicated that their policy on transparency provided details of the rules governing decisions, 39 per cent admitted that their policy did not while 9 per cent did not know. However, only 25 per cent of respondents indicated that their policy highlights whether there is a cost for obtaining information while 65 per cent did not and 10 per cent did not know. 54 per cent indicated that their policy identified what information is regarded as confidential and why, while 37 per cent did not, and 9 per cent stated that they did not know. It seems that just over half of respondents had most of the components - not counting costs of information. In general the findings indicate that around half of the respondents either do not have policy, or policy guidelines, or simply they don't know if they have. More specifically, 53 per cent of respondents did not have a transparency policy in place. Indeed, this is arguably not surprising as the organisational culture of voluntary organisations privileges the construction of trust

relations playing a major part in the voluntary organisations' work. Equally, implementing transparency is not free and voluntary organisations have limited resources so that most of the generated income is always to be spent on the mainstream activities. This throws some doubt on the other 47 per cent of respondents who indicated that they have a transparency policy in place and whether their policy is effective or not.

Table 4.16: Reasons for not having a policy

Reasons for not having a policy (Multiple choice question)	N	%
Not important	11	10
No enough resources	32	30
Stakeholders did not demand it	38	36
No support from the Charity Commission	10	9
Other reasons	16	15
Total	107	100

Table 4.17: Transparency procedures and guidelines

Q17 Does organisation's policy on transparency highlight the following areas	Yes		No		Don't know		Total N
	N	%	N	%	N	%	
How to make an information request	151	62	79	32	16	6	246
Timeframes for dealing with information request	132	54	99	40	15	6	246
Details of how response will be made	135	55	95	39	16	6	246
Details of the rules governing decisions	129	52	96	39	21	9	246
Costs of obtaining information	61	25	161	65	24	10	246
What information it regards as confidential and why	132	54	91	37	23	9	246
Other areas the policy might highlight	11	05	235	95	0	0	246

4.4 Issues of participation

As I set out in Chapter Two of this thesis, the model of participation informing this study consists of three interlinked processes: stage of engagement (the stage of decision-making cycle in which participation occurs); the level of influence stakeholders have on decisions; and the engagement mechanism used in the participation process. Respondents were thus asked a series of questions concerning these three processes, as well as how these processes affected or impacted upon five different stakeholder groups: beneficiaries; donors; government; staff; and others. Each process was also characterised by different practices. There was the first process of stage of engagement, comprised of five items from high to low in relation to the categories of Arnstein's ladder of engagement (see Chapter Two). Table 4.18 presents the respondents' answers to the three processes over the five stakeholder groups.

Turning to agenda-setting, the highest stage of engagement, staff were the most common participants in such processes with three quarters of respondents indicating staff involvement in agenda setting. 54 per cent of respondents have their beneficiaries involved at this stage of decision-making; just under half of the organisations surveyed did not engage with beneficiaries at this stage of engagement. Donors were also inconsistently involved across the sector in agenda-setting, as well government representatives. Although the lack of engagement of these two latter stakeholder groups might be explained by the desire of organisations to maintain control over the determination of their strategic goals or programmes, the results contrast with the ranking of the importance of stakeholders by respondents (see Table 4.19 for full results): beneficiaries were rated by 94 per cent of organisations as very important, as were staff by 92% of respondents, donors by 73 per cent, and government by 60 per cent.

Table 4.18: Respondents' performance on stakeholder engagement

	Beneficiaries	Donors	Government	Staff	Other group
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	Yes %	No %	Yes %	No %	Yes %	No %	Yes %	No %	Yes %	No %
<u>Stage of engagement</u>										
Agenda setting	54	46	21	79	23	77	76	24	29	71
Project/ Policy design	66	34	36	64	26	74	85	15	33	67
Implementation	67	33	31	69	22	78	85	15	32	68
Monitoring	62	38	37	63	33	67	85	15	33	67
Evaluation	70	30	42	58	35	65	84	16	36	64
<u>Level of influence</u>										
Joint decision-making	41	59	24	76	17	83	66	34	30	70
Participation in design of project or policy design	58	42	26	74	24	76	72	28	33	67
Consultation	68	32	31	69	28	72	74	26	34	66
Information sharing	61	39	36	64	34	66	71	29	32	68
<u>Engagement mechanism used</u>										
Joint committees	29	71	17	83	24	76	45	55	31	69
Partnerships	44	56	33	67	35	65	56	44	38	62
Taskforces	23	77	10	90	13	87	37	63	18	82
Advisory groups	53	47	19	81	24	76	56	44	31	69
Public hearings	19	81	7	93	9	91	17	83	12	88

Similar patterns of engagement were detected in terms of project and policy design, and implementation. For example, 85 per cent of respondents involved staff, and 66 per cent involved beneficiaries in project and policy design. However, the other stakeholder groups were much less engaged with voluntary organisations at these stages of engagement than staff and beneficiaries. 36 per cent of respondents involved donors in project and policy design, 26 per cent involved government, and 33 per cent involved other groups. At the lowest level of engagement, that of evaluation, that the gap between stakeholders is noticeably reduced, although staff remain the most engaged stakeholder even at this level of engagement. 84 per cent of respondents involved staff in evaluation, 70 per cent involved beneficiaries, 42 per cent involved donors, 35 per cent involved government, and 36 per cent involved other groups. Survey returns confirm that voluntary organisations engagement with their stakeholders over the five stages is low to moderate with the exception of staff. Beneficiaries, donors, and governments had a very low to low involvement in the higher stages and low to moderate in

the lower stages. The findings show that stakeholder participation was under developed in relation to the stage in which stakeholder participation occurs.

The responses of voluntary organisations in the sample regarding the stage of engagement should correspond to the level of influence and the mechanism used if they are to reflect a real and meaningful process of engagement. Mapping such levels of engagement against influence begins to clarify the emerging picture of participatory practices across non-governmental organisations. 66 per cent of respondents indicated that staff have influence at the level of joint decision-making. This fell to less than half, 41 per cent, when beneficiaries were concerned, and less than a quarter for donors and less than one fifth for government. Influence of different stakeholders was nominally better when considering participation in the design of project or policy. 72 per cent of respondents indicated that staff have influence at the level of participation in design of project or policy, while 58 per cent of respondents suggested that beneficiaries had an influence at the level of participation in the design of projects or policies, 26 per cent for donors and 24 per cent for government. Recognition of the influence of beneficiaries increased at lower levels of influence: 68 per cent of respondents acknowledged the influence of beneficiaries in consultation processes, and 61 per cent in information sharing practices. Again, staff appear to have an influence at all levels of engagement against and beyond that of beneficiaries, government and donors.

Turning to engagement mechanisms, the survey questioned the use of joint committees through to partnerships, task forces, advisory groups and public hearings (see Table 4.18). Less than half of respondents used joint committees with staff (45 per cent) and 29 per cent engaged

beneficiaries in such instances, (22 per cent with government and 17 per cent with donors). Partnerships fared little better, although it was broadly a more popular mechanisms of engagement, as were advisory groups with over half of respondent organisations claiming to use such mechanisms with staff and beneficiaries. The least popular mechanisms in terms of engaging stakeholders were task forces and public hearings.

Table 4.19 Stakeholder groups

Q14 Stakeholder groups	Very important (4,5)		Low or moderate level of importance (2,3)		Not important (1)		Total N	Missing data	Mean
	N	%	N	%	N	%			
Beneficiaries	229	94	9	04	6	02	244	6	4.73
Staff	224	92	14	06	6	02	244	6	4.64
Donors	175	73	40	16	26	11	241	9	4.01
The local community	175	72	47	19	21	09	243	7	3.95
Customers	166	69	21	09	55	22	242	8	3.76
Government	145	60	72	30	24	10	241	9	3.64
The general public	138	57	82	34	23	09	243	7	3.63
The Charity Commission	137	56	98	40	10	04	245	5	3.70
Peer organisations	133	55	92	38	16	07	241	9	3.53
A professional, trade or a regulator body	91	38	93	38	58	24	242	8	2.97
The Inland Revenue	80	33	112	46	52	21	244	6	2.87
Local businesses	71	29	106	44	66	27	243	7	2.64
Bankers or other lenders	66	27	115	47	62	26	243	7	2.65

4.5 Type of Policies

Just over one-third of respondents indicated that their organisation had a formal written policy on stakeholder engagement. Of the remaining two thirds of organisations, some 43 per cent of

respondents indicated that in the absence of a formal written policy, their organisation did have an informal unwritten policy. 23 per cent of respondents said that their organisation had neither a written policy nor an unwritten set of agreed practices..

Table 4.20: the type of policy exists in VOs within the sample

	Transparency		Stakeholder Engagement	
No policy	30	(12%)	55	(23%)
Formal policy	115	(47%)	84	(34%)
Informal policy	102	(41%)	106	(43%)
Total	247	(100%)	245	(100%)
No response	3		5	

Table 4.20 also shows the number of voluntary organisations in the sample: that have a formal, informal or no policy on engagement or transparency in place. Some 12 per cent of the sample had no transparency policy and 22 per cent had no engagement policy. 46 per cent had a formal transparency policy and 34 per cent had a formal engagement policy. There are 41 per cent of organisational respondents that have informal transparency policies and 42 per cent that have informal engagement policies.

Exploring what such policies and practices might entail, the survey asked respondents to comment on their procedure guidelines for stakeholder engagement across their organisations (see Table 4.21). Here I measured such guidelines by asking respondents to indicate how frequent they applied six core procedures identified by Blagescu et al (2005) for implementing stakeholder engagement processes. Just over half of respondents, 51 per cent, stated that they frequently circulated information regarding engagement processes to key stakeholders. 49 per cent claimed that their organisation made such information available to all stakeholders. 19

per cent of respondents indicated that they never made this information available to either stakeholder groups. 68 per cent of respondents indicated that key stakeholders were not prevented from engagement processes due to a lack of physical access, communication barriers (language or expert terms) or financial constraints. 69 per cent of respondents indicated that disadvantaged stakeholder groups were given special support and encouragement when their engagement is appropriate. 75 per cent of respondents indicated that they guaranteed the confidentiality of stakeholders during an engagement process.

Table 4.21: Engagement guideline measures

Engagement guideline measures Q22	Frequently (4,5) %	Seldom & sometimes (2,3) %	Never (1) %	N of resp ond ents	Mis sing data
Information regarding engagement processes are circulated to key stakeholders in appropriate forms and through appropriate media.	51	30	19	244	6
Information regarding engagement processes are made available to all stakeholders in appropriate forms and through appropriate media.	49	32	19	243	7
Contact details for a relevant person in the organisation are provided	78	11	11	244	6
Key stakeholders are not prevented from participation processes due to lack of physical access, communication barriers (language or expert terms) or financial constraints.	68	17	15	244	6
The confidentiality of stakeholders during an engagement process is guaranteed by the organisation where appropriate.	75	12	13	244	6
Disadvantaged groups are given special support and encouragement when their engagement is appropriate.	69	14	17	244	6

4.6 Conclusions

This chapter has undertaken the first critical reading of the survey returns. Organisational respondents offered a sample of relatively mature voluntary organisations, typically employing less than 10 employees and volunteers. Organisations were spread across a range of activities within the sector and which drew their income from government, private donations, and trading. As such, the survey returns confirmed many of the findings of existing studies. On the one hand, organisation respondents followed a code of good practice in order to improve management of the organisation, had a board of between 5 and 9 members, with boards having in general executive and finance subcommittees. On the other hand, the findings reasserted the involvement of board members in strategic management rather than managerial tasks. This division of labour was not contested by organisational respondents, although it was widely expressed that board members should become more involved in fund-raising activities. Salamon and Geller (2005) also found that boards were more involved in strategic rather than managerial duties. However, at this stage, this is not to suggest any impact of such arrangements on organisational performance. Bradshaw, Murray and Wolpin (1992) found no relationship between the type of board orientation whether it is purely strategic or managerial with board performance. However, their study did not examine the effect of board responsibilities on accountability. I will examine such relationships statistically in Chapter Six through regression analysis.

Importantly, for this research however, the data indicated that at the time of the survey formal transparency policies were not consistently in place across the voluntary and community sector. Over half of survey respondents did not have a policy in place. And, of those organisations that did have a policy in place, there was equally little consistent practice. For example, over a third of organisations had policies in place that did not set out how its stakeholders might make a

request for information. Similarly some 40 per cent of organisational respondents did not have a policy in place as to timeframes expected to make a formal response nor on how the response would be made. In short, this study reveals an inconsistent practice towards the formal components of a policy towards transparency, with roughly a third of organisation respondents failing to offer one of the primary elements of transparency which might be expected of any policy. This is not to suggest that the presence or absence of a formal transparency policy necessarily impacts upon levels of transparency and accountability experienced by stakeholders. Equally, such formal procedures are not without their costs of implementation and do not necessarily advance trust between organisations and stakeholders. I will return to such questions and assertions in Chapter Six.

When turning to the second dimension of the model of accountability tested in this study, that of stakeholder participation, there are again inconsistent practices across respondent organisations. For example, just over half of organisations claimed to engage stakeholders in agenda-setting. First, however, staff were more likely to be involved than beneficiaries in such exercises, and staff and beneficiaries were far more likely to be involved than donors, government and other groups. These results were replicated across stages of engagement and levels of influence, although such disparities did reduce at lower levels of engagement and influence. Second, there was a potential clash between stages of engagement and levels of influence and mechanisms with the recourse to particular mechanisms not always offering the appropriate fit with the stage of engagement and level of influence. I discuss this further in Chapter Five. Finally, the existence of a policy on participation was as patchy across the sector as that of transparency (respondents were asked separate questions for transparency and participation). In terms of the specific elements of such a policy, almost 20 per cent of

organisation respondents did not circulate information regarding engagement processes to stakeholders, whilst between 25 per cent and 30 per cent could not confirm that stakeholders were prevented from engagement due for example to physical access, nor that disadvantaged stakeholders were given specific support, and that confidentiality of stakeholders during engagement was guaranteed.

Overall, therefore, seen through the lens of the two dimensions of transparency and engagement, practices of accountability across the voluntary sector appeared somewhat patchy. In particular, less than half of organisations had formal transparency or participation policies in place, and the elements of what might be considered to constitute such policies in practice were not followed by between one-fifth and one-third of respondent organisations (depending on the element under discussion). This is a significant finding because accountability is best viewed as a continuous and interlinked set of processes. Genuine transparency should take organisations a step forward towards more than just a mere disclosure. Organisations should provide stakeholders with relevant information about their programmes and activities continuously and not just in retrospective way. Providing stakeholders with information about future activities and plans can encourage them to positively be involved and contribute at least with their opinions to the success of these programmes and activities. However, at this stage, I have said little about whether such practices vary according to the organisational characteristics, be it age, affiliation or sources of income. It is to the impact of such variables on patterns of transparency and stakeholder engagement that I now turn.

CHAPTER FIVE

ORGANISATIONAL VARIABLES AND PRACTICES OF TRANSPARENCY AND ENGAGEMENT

This chapter subjects the initial survey findings to a series of cross-tabulations concerning the organisational characteristics of voluntary organisations. It explores whether organisational characteristics impact on transparency and engagement practices across the voluntary sector. It thus selects three primary organisational characteristics - affiliation, age and income - and tests whether such characteristics explain variations in the practices and levels of transparency and engagement.

The chapter examines a series of assumptions and hypotheses. First, it assesses how far wider umbrella groups possess more formal guidelines and central bureaucratic resources that impact upon member organisations standard practices of accountability. Second, it examines the extent to which an organisation's practices of accountability mature over time as it gains experience in the demands of working in the voluntary sector. Finally, it analyses the impact of the level of income, and the source of that income, on practices of accountability in voluntary organisations. Here it suggests that adopting practices of accountability is not a cost free exercise and that higher levels of income can positively influence the practices of accountability in voluntary organisations. But, at the same time, it examines sources of income, inquiring as to whether reliance on funding from government, private donations or trading activities can influence how organisations implement practices of transparency and engagement.

With that in mind, the chapter argues that neither affiliation, age nor levels of income impacts consistently on practices of transparency. By contrast, the source of income does appear to exercise an impact on practices of transparency. Organisations more reliant on government funding tend to have higher levels of transparency, whilst those organisations reliant on trading as a source of income tend to perform worse across all the elements of transparency identified and assessed in the survey.

However, the picture of practices of engagement across organisational respondents is more complicated. Affiliation had a very weak influence on the stage of engagement, but it exercised a strong impact on the level of influence attributed to stakeholders and the mechanism deployed. The maturity of the organisation, and size of income, influenced the third dimension of engagement, namely the engagement mechanism. However, sources of income did not appear to have any consistent impact on the three dimensions of engagement studied. Analysis thus reveals a disjuncture across organisations between the stage of engagement at which they work with stakeholders, the level of influence attributed to stakeholders, and the engagement mechanism deployed; and this was the case for affiliation, age and annual income. This disjuncture had a consistent impact on organisational capacities, with organisational respondents appearing broadly reluctant to use the highest mechanism of engagement. I turn first to practices of transparency, testing for the impact of affiliation, age and income, before turning to practices of engagement.

5.1 PRACTICES OF TRANSPARENCY AND ORGANISATIONAL CHARACTERISTICS

Affiliation to wider umbrella groups

I posited in the introduction that an organisation's affiliation to a wider umbrella group could influence its practice of transparency. The hypothesis is that wider umbrella groups possess more formal guidelines and central bureaucratic resources that impose upon member organisations standard practices of accountability. However, as I move through this analysis of the different dimensions of transparency, this hypothesis is not confirmed by the data generated. Rather, the data suggests that belonging (or not) to a wider umbrella organisation has little or no impact on how organisations operationalise transparency. For example the availability of details about activities and programmes, as well as information about staff and board members, affiliation to a wider umbrella group appears to have little or no discernible impact on whether such details are made available by organisations in this sample (see Table 5.1). If anything, non-affiliated groups do better at making such information available, although the practices of making programme details available are broadly followed across the organisations in the sample (less so those of making available information about staff and board members).

Similarly, even when those less common elements of transparency activities are taken into account, affiliation does not seem to increase the availability of information (see for example the provision of details about impact on society). Most importantly for our

analysis, non-affiliated organisations were more likely than their affiliated counterparts to provide information to their stakeholders on how to input into the different levels of decision-making. Whilst only 26 per cent of all respondent organisations always made such detailed information on stakeholder input available, only 37 per cent of these organisations were affiliated within a wider network, compared to 63 per cent who were not. The results through the six items show that voluntary organisations across the sector adopt similar transparency practices regardless of whether they are affiliated to a wider network or not.

Table 5.1: Affiliation and Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	% of all respondents
Not affiliated	100	100	53	63	59	60
Affiliated	0	0	47	37	41	40
% of all respondents	2	1	6	19	72	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%
Not affiliated	67	65	56	69	57	60
Affiliated	33	35	44	31	43	40
% of all respondents	6	9	17	17	51	100
(3) Details about the organisation's impact on society						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%
Not affiliated	83	65	47	68	58	60
Affiliated	17	35	53	32	42	40
% of all respondents	7	8	24	27	34	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%
Not affiliated	77	63	49	65	58	60
Affiliated	23	37	51	35	42	40
% of all respondents	14	11	22	20	33	100
(5) Information on the governing board members and the executives.						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%
Not affiliated	75	64	56	59	60	60
Affiliated	25	36	44	41	40	40
% of all respondents	5	9	13	20	53	100
(6) Openness on how stakeholders can input into the different levels of decision-making						
VO affiliation	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%
Not affiliated	70	56	56	57	63	60
Affiliated	30	44	44	43	37	40
% of all respondents	16	13	26	19	26	100

Age of voluntary organisations

Turning to the age of organisations, I posited above that mature organisations might have a time advantage over younger organisations in both becoming more aware and more able over time to take into account the demands of undertaking practices of transparency. In other words, organisations might be expected to learn over time. The results show that, broadly speaking, age matters little in terms of the availability of information about activities and programmes. Organisations whether in existence for less than or more than 20 years follow similar practices, with approximately three-quarters of respondent organisations always making available such information. When analysed over five age groups (see Table 5.2), some variation does emerge, with organisations less than 8 years old, as well as those organisations more than 50 years old, less likely to make such information available. Interestingly, whilst organisations less than 8 years old were also less likely to make available details of staff, this was not the case for mature organisations, where organisations over 50 years old were the most likely to make such information available, although there was little discernible pattern to the impact of age on the practices of organisation respondents in relation to this particular element of transparency.

This absence of a clear distinction between organisations in different age categories also relates to the level of openness on the organisation's impact on society and the codes and partnerships which it signs up to. Organisations between 8 and 14 years old were the most likely to make information on impact available, whilst those younger organisations, less than 8 years old, were most likely to make information on codes available to stakeholders (see Table 5.2). different age categories tended to perform

better across different elements of transparency. Respondent organisations in the age group of 50 years and over were the most transparent with regard to making information available about the governing board members and executives, as well as in terms of openness to how stakeholders can input into decision-making processes. However, organisations aged between 8 and 14 years old outperformed all other categories in terms of making information available concerning activities and programmes, staff, and impact on society.

Overall, therefore, data suggests that age does not play a major role in influencing the practices of voluntary organisations with regard to transparency. Although there were some differences in the findings across the five age categories, there was no clear trend or direction, which suggests a homogeneous tendency or consistent pattern of behaviour across the sector when it comes to the impact of age on practices of transparency.

Table 5.2: Cross-tabulating VO Age with Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	Total %	% of all respondents
Less than 8 years	0	0	20	25	55	100	8
8 to 14	2	0	4	11	83	100	19
15 to 24	0	2	6	18	74	100	27
25 to 49	0	1	3	20	76	100	29
50 & more	8	1	8	25	58	100	17
% of all respondents	2	1	6	19	72	100	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	T %	% all resp
Less than 8 years	15	10	25	10	40	100	8
8 to 14	6	2	13	17	62	100	19
15 to 24	5	17	18	21	39	100	27
25 to 49	8	8	17	16	51	100	29
50 and over	0	7	15	18	60	100	17
% of all respondents	6	10	17	17	50	100	100
(3) Details about the organisation's impact on society							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%	% all resp
Less than 8 years	5	20	20	30	25	100	8
8 to 14	4	8	28	17	43	100	19
15 to 24	9	9	23	26	33	100	27
25 to 49	8	6	20	35	31	100	29
50 and over	7	5	30	23	35	100	17
% of all respondents	7	8	24	27	34	100	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%	% all resp
Less than 8 years	20	10	20	10	40	100	8
8 to 14	13	4	21	26	36	100	19
15 to 24	14	10	29	18	29	100	27
25 to 49	11	14	21	23	31	100	29
50 and over	20	15	15	15	35	100	17
% of all respondents	14	11	22	20	33	100	100
(5) Information on the governing board members and the executives							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%	% all resp
Less than 8 years	5	15	15	25	40	100	8
8 to 14	6	6	13	19	56	100	19
15 to 24	7	14	11	12	56	100	27
25 to 49	4	4	18	30	44	100	29
50 and over	0	10	7	15	68	100	17
% of all respondents	5	9	13	20	53	100	100
(6) Openness on how stakeholders can input into the different levels of decision-making							
VO Age	Never %	Infrequently %	Sometimes %	Frequently %	Always %	%	% all resp
Less than 8 years	30	20	10	20	20	20	8
8 to 14	13	2	32	21	32	47	19
15 to 24	14	15	30	18	23	66	27
25 to 49	17	14	27	17	25	71	29
50 and over	17	17	20	18	28	40	17
% of all respondents	16	13	26	19	26	244	100

Voluntary organisations and income

I first examined the responses according to broad categories of income, above or below £1 million a year (see Table 5.3). This did not show any emerging patterns of transparency related to income. It merely suggested that organisation respondents with an annual income of less than £1 million were more likely to make available information on society impact and codes, whilst those with an income over £1 million were more likely to make available information on board members and executives, and how stakeholders might get involved in decision-making. Breaking down this broad distinction into five narrower categories did not offer a clearer picture or pattern of the impact of income on transparency. For example, the performance of organisational respondents in relation to making available information about activities and programmes was relatively similar across all five categories, although those organisations with an annual income over £5 million were less likely to make such information frequently available. Alternatively, in terms of making lists of key staff always available, organisations with an income between £1 million and £5 million were the worst performers, whilst organisations with an annual income below £250,000 were the highest. Indeed, organisations with an annual income below £250,000 were the highest performers on three of the six elements. Indeed, they were most likely to make always available information on activities, staff and ways that stakeholders could engage in decision-making. Yet, as this analysis of the data suggests, the size of an organisation annual income does not relate in a coherent or consistent pattern to the practices of transparency across all the elements against which it was tested.

Table 5.3: Cross-tabulating VO Size with Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always%	Total%	% of all respondents
Less than £250,000	0	0	8	17	75	100	5
£250,000 to £499,999	2	0	7	17	74	100	30
£500,000 to £999,999	1	2	7	16	74	100	24
£1 million to £4,999,999	1	3	5	18	73	100	31
£5 million to £10 million	4	0	5	27	64	100	10
% of all respondents	2	1	6	18	73	100	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
Less than £250,000	0	0	33	0	67	100	5
£250,000 to £499,999	8	13	16	13	50	100	30
£500,000 to £999,999	6	11	11	14	58	100	24
£1 million to £4,999,999	3	8	21	23	45	100	31
£5 million to £10 million	9	0	14	23	54	100	10
% of all respondents	5	9	17	17	52	100	100
(3) Details about the organisation's impact on society							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
Less than £250,000	8	8	33	25	25	100	5
£250,000 to £499,999	4	11	26	22	37	100	30
£500,000 to £999,999	11	7	19	26	37	100	24
£1 million to £4,999,999	8	7	18	34	33	100	31
£5 million to £10 million	9	5	27	27	32	100	10
% of all respondents	8	8	22	27	35	100	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
Less than £250,000	25	9	0	33	33	100	5
£250,000 to £499,999	10	11	23	20	36	100	30
£500,000 to £999,999	18	5	16	26	35	100	24
£1 million to £4,999,999	15	14	30	14	27	100	31
£5 million to £10 million	14	18	23	18	27	100	10
% of all respondents	15	11	22	20	32	100	100
(5) Information on the governing board members and the executives							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
Less than £250,000	0	17	25	8	50	100	5
£250,000 to £499,999	7	10	14	23	46	100	30
£500,000 to £999,999	9	1	14	23	53	100	24
£1 million to £4,999,999	0	10	12	16	62	100	31
£5 million to £10 million	4	14	9	18	55	100	10
% of all respondents	5	8	14	20	53	100	100
(6) Openness on how stakeholders can input into the different levels of decision-making							
VO Size	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
Less than £250,000	17	8	25	17	33	100	5
£250,000 to £499,999	16	11	31	17	24	100	30
£500,000 to £999,999	19	11	26	23	21	100	24
£1 million to £4,999,999	14	18	24	14	30	100	31
£5 million to £10 million	23	13	18	23	23	100	10
% of all respondents	17	13	26	18	26	100	100

Voluntary organisations and sources of income

Having cross-tabulated practices of transparency against annual income, I also examined whether the source of income could begin to account for differences of practices across the multiple elements of transparency (see Table 5.4). I turn first to dependence on government funding. Overall, organisations with between 76 per cent and 100 per cent reliance on government funding performed better across all categories or elements of transparency. However, the performance of such organisations was not noticeably out of step with other organisations that were less dependent on government funding, particularly when mapped against organisations with no government funding. Voluntary organisations, that were either highly reliant or not at all reliant on government funding, had similar and consistent levels of performance on each of the elements of transparency (in terms of making information available to stakeholders). Organisations with less than half their funding dependent on government funding tended to perform the worst across the different elements. However, again, there was no obvious consistency or patterns to these results. Testing for the impact of government funding did not reveal any clear impact on the outcomes of transparency across voluntary organisations.

Table 5.4: Government sources of income vs Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always%	Total%	% of all respondents
zero %	4	2	6	15	73	100	35
Up to 25%	2	0	4	27	67	100	20
from 26% to 50%	0	3	10	7	80	100	13
from 51% to 75%	0	0	14	24	62	100	12
from 76% to 100%	0	0	2	22	76	100	20
% of all respondents	2	1	6	19	72	100	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	10	6	11	15	58	100	35
Up to 25%	6	15	29	17	33	100	20
from 26% to 50%	3	13	10	17	57	100	13
from 51% to 75%	4	17	24	17	38	100	12
from 76% to 100%	4	2	13	24	57	100	20
% of all respondents	6	9	17	18	50	100	100
(3) Details about the organisation's impact on society							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	12	5	32	18	33	100	35
Up to 25%	6	6	19	33	36	100	20
from 26% to 50%	7	13	17	33	30	100	13
from 51% to 75%	0	21	14	31	34	100	12
from 76% to 100%	7	7	24	30	32	100	20
% of all respondents	8	9	23	27	33	100	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	28	11	15	12	34	100	35
Up to 25%	6	6	23	40	25	100	20
from 26% to 50%	10	17	26	17	30	100	13
from 51% to 75%	7	21	41	0	31	100	12
from 76% to 100%	9	9	19	28	35	100	20
% of all respondents	15	12	22	20	31	100	100
(5) Information on the governing board members and the executives							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	6	10	11	15	58	100	35
Up to 25%	2	6	17	31	44	100	20
from 26% to 50%	10	4	23	23	40	100	13
from 51% to 75%	0	14	17	17	52	100	12
from 76% to 100%	6	9	6	20	59	100	20
% of all respondents	5	9	14	20	52	100	100
(6) Openness on how stakeholders can input into the different levels of decision-making							
income from government	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	28	11	18	15	28	100	35
Up to 25%	12	17	27	23	21	100	20
from 26% to 50%	16	7	40	17	20	100	13
from 51% to 75%	3	17	45	14	21	100	12
from 76% to 100%	9	15	20	26	30	100	20
% of all respondents	17	13	26	19	25	100	100

Similarly, reliance of income from private sources did not reveal any discernible pattern of influence or impact on the practices of transparency (see Table 5.5). On the contrary, when compared to the impacts of government funding, there was more inconsistency or less of a pattern to how an organisation's reliance on private income shaped practices of transparency. Thus, organisations who were reliant for over three-quarters of their income on the private sector were least likely to make information on staff frequently available and, with organisations reliant for between half and three-quarters of their income on private sources, were also least likely to make available information on how stakeholders might become involved in decision-making. However, these two income categories were more likely to make frequently available information on organisational impact on society - perhaps to be expected given their reliance on attracting external funding from private donors.

Finally, I turn to the financial reliance of organisations on trading activities (see Table 5.6). In contrast to other streams of income, there was arguably a more consistent picture to emerge from the cross-tabulations. Organisations with more than three quarters of their income coming from trading activities tended to perform worse across four elements of information transparency, particularly information on stakeholder engagement, on board members and executives, on codes and partnerships, and on the impact of the organisation on society. This category was also the second lowest category in terms of the proportion of organisations frequently making available information about activities and programmes. Overall, therefore, increasing reliance or over-reliance on trading activities tends to work against making information frequently available (as part of transparency practices).

Table 5.5: Donations from the private sector and individuals vs Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always%	Total%	% of all respondents
zero %	3	2	9	13	73	100	24
Up to 25%	1	0	6	22	71	100	41
from 26% to 50%	0	0	0	26	74	100	11
from 51% to 75%	0	0	9	9	82	100	10
from 76% to 100%	3	6	6	21	64	100	14
% of all respondents	2	1	6	19	72	100	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	6	7	14	16	57	100	24
Up to 25%	4	8	18	19	51	100	41
from 26% to 50%	7	11	11	15	56	100	11
from 51% to 75%	9	13	22	17	39	100	10
from 76% to 100%	12	12	18	18	40	100	14
% of all respondents	7	9	17	17	50	100	100
(3) Details about the organisation's impact on society							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	14	2	34	20	30	100	24
Up to 25%	3	10	28	30	29	100	41
from 26% to 50%	0	26	15	22	37	100	11
from 51% to 75%	9	4	9	35	43	100	10
from 76% to 100%	15	6	9	30	40	100	14
% of all respondents	8	9	23	27	33	100	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	30	5	20	16	29	100	24
Up to 25%	6	15	27	22	30	100	41
from 26% to 50%	4	15	22	22	37	100	11
from 51% to 75%	26	17	9	26	22	100	10
from 76% to 100%	15	6	21	15	43	100	14
% of all respondents	15	11	22	20	32	100	100
(5) Information on the governing board members and the executives							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	7	14	9	14	56	100	24
Up to 25%	5	6	17	24	48	100	41
from 26% to 50%	4	4	15	22	55	100	11
from 51% to 75%	0	0	30	18	52	100	10
from 76% to 100%	6	15	0	21	58	100	14
% of all respondents	5	9	14	20	52	100	100
(6) Openness on how stakeholders can input into the different levels of decision-making							
income from the Private sector	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	20	16	20	10	34	100	24
Up to 25%	10	16	28	21	25	100	41
from 26% to 50%	7	0	41	26	26	100	11
from 51% to 75%	13	13	48	13	13	100	10
from 76% to 100%	40	12	6	24	18	100	14
% of all respondents	17	13	26	19	25	100	100

Table 5.6: Income from Trading activities vs Transparency (information made available to stakeholders)

(1) Details and description about each activity and programme							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always%	Total%	% of all respondents
zero %	4	1	8	17	70	100	36
Up to 25%	0	1	6	16	77	100	34
from 26% to 50%	0	0	8	28	64	100	11
from 51% to 75%	0	5	0	16	79	100	8
from 76% to 100%	3	0	4	26	67	100	11
% of all respondents	2	1	6	19	72	100	100
(2) A list of key staff, specifying their contact details and the scope of their responsibilities							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	8	5	17	14	56	100	36
Up to 25%	1	14	16	19	50	100	34
from 26% to 50%	12	20	8	20	40	100	11
from 51% to 75%	11	10	21	16	42	100	8
from 76% to 100%	7	0	22	22	49	100	11
% of all respondents	6	9	17	18	50	100	100
(3) Details about the organisation's impact on society							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	8	7	23	31	31	100	36
Up to 25%	7	9	16	28	40	100	34
from 26% to 50%	8	12	16	28	36	100	11
from 51% to 75%	10	10	32	16	32	100	8
from 76% to 100%	4	7	48	22	19	100	11
% of all respondents	8	9	23	27	33	100	100
(4) Providing details about any codes, partnerships or coalitions to which the organisation is a signatory							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	20	11	18	18	33	100	36
Up to 25%	11	11	24	21	33	100	34
from 26% to 50%	12	12	16	24	36	100	11
from 51% to 75%	5	5	48	16	26	100	8
from 76% to 100%	19	19	19	22	22	100	11
% of all respondents	15	11	22	20	32	100	100
(5) Information on the governing board members and the executives							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	5	8	11	17	59	100	36
Up to 25%	2	10	13	20	55	100	34
from 26% to 50%	8	4	12	36	40	100	11
from 51% to 75%	11	0	26	16	47	100	8
from 76% to 100%	7	15	19	22	37	100	11
% of all respondents	5	9	14	20	52	100	100
(6) Openness on how stakeholders can input into the different levels of decision-making							
Income from trading activity	Never%	Infrequently%	Sometimes%	Frequently %	always %	Total%	% all resp
zero %	23	10	24	18	25	100	36
Up to 25%	14	14	24	25	24	100	34
from 26% to 50%	12	12	40	8	28	100	11
from 51% to 75%	10	21	32	5	32	100	8
from 76% to 100%	15	15	26	22	22	100	11
% of all respondents	17	13	26	19	25	100	100

5.2 PRACTICES OF STAKEHOLDER ENGAGEMENT AND ORGANISATIONAL CHARACTERISTICS

Having explored the relation between organisational characteristics and practices of transparency, this section of the chapter cross-tabulates the three dimensions of stakeholder engagement with the three main variables representing organisational characteristics: annual income (size and source), age, and affiliation to an umbrella group. I will start with cross-tabulating the variable of affiliation with each of the three dimensions of engagement. As with practices of transparency, the hypothesis to be explored is that affiliation might expose voluntary organisations to centrally-driven cultures, rules norms and resources that impact positively on their capacity to undertake engagement activities with stakeholders.

Affiliation and Engagement

The first dimension of engagement explores the stage of decision-making in which a voluntary organisation engages with their key stakeholders (as summed up by question 19 in the survey). Around 60 per cent of organisational respondents were not affiliated to an umbrella group (see Table 5.7). 82 per cent of these voluntary organisations claimed to be engaged with their stakeholders at the highest stage of decision-making, that of agenda setting. 10 per cent engaged at the second highest stage of project/policy design. Turning to the 40 per cent of all organisational respondents who are affiliated to an umbrella group, around 83 per cent also claim to be engaged with stakeholders at the highest stage of agenda setting. 10 per cent are engaged with stakeholders at the second highest stage of project/policy design. Only 6 per cent of affiliated voluntary

organisations claim not to use any stage of stakeholder engagement (compared to 10 per cent of non-affiliated organisations). In short, the answers of affiliated and unaffiliated respondents are similar with regard to the stage of engagement. This suggests that affiliation does not influence the stage of engagement used by NGOs to engage with their stakeholders.

The second dimension of engagement captures the level of influence stakeholders have on decision-making process (as investigated in question 20 in the survey). 69 per cent of unaffiliated voluntary organisations said that they attributed stakeholders the highest level of influence in decision-making, that of joint decision-making. However, 21 per cent of non-affiliated respondents claimed not to give stakeholders any effective influence on decision-making process across their organisations. In contrast, 82 per cent of affiliated organisational respondents claimed to engage their stakeholders in joint decision-making, the highest level of influence. Equally, there was only approximately 12 per cent of affiliated respondents who claimed not to give stakeholders any influence on their decision-making processes. In terms of this particular dimension of stakeholder level of influence on the decision-making process, the findings thus show clearly that affiliated voluntary organisations are more involved with their stakeholders than their unaffiliated counterparts.

Finally, the third dimension relates to the engagement mechanism deployed by voluntary organisations in the engagement process (as investigated by question 21 in the survey). 53 per cent of unaffiliated organisational respondents claimed to use the highest engagement mechanism of joint committees. 18 per cent said that they used the second highest mechanism of partnerships. However, there were 18 per cent of

unaffiliated voluntary sector organisations which reported the use of no engagement mechanism. As for affiliated respondents, there were roughly 63 per cent who claimed to use the highest engagement mechanism of joint committees and 19 per cent who reported using the second highest mechanism of partnerships. 16 per cent of these organisational respondents reported the use of no engagement mechanism. In relation to engagement mechanisms, affiliated organisations did appear once again to outperform non-affiliated organisations, albeit relatively marginally.

Overall, therefore, the cross-tabulation of affiliation with the three dimensions of stakeholder engagement process revealed that a concentration of respondents situated themselves in the top engagement category across the three dimensions. This result came regardless of whether the respondent voluntary organisation was affiliated to an umbrella group or not. However, there was some difference between the two groups where the performance of affiliated voluntary organisations was greater than unaffiliated counterparts, especially at the second and third dimensions of level of engagement and engagement mechanism.

However, the findings also show that the performance of unaffiliated voluntary organisation regarding their level of involvement over the three engagement dimensions was to some extent fragmented and inconsistent. Unaffiliated voluntary organisations levels of engagement over the three dimensions do not match or are even roughly close to each other. For example 82 per cent of unaffiliated organisations claimed to use the highest stage of engagement but only 69 per cent reported using the highest level of influence and just 53 per cent said that they used the highest engagement mechanism. To demonstrate these figures in practice, let us say a

voluntary organisation involves its stakeholders with agenda setting but it does not allow its stakeholders to effectively influence decisions and when it comes to the mechanism it uses for the engagement process it uses the mechanism of public hearings, advisory groups or taskforces when do not necessarily go beyond ‘question and answer’ consultation. A proper engagement at the stage of agenda setting should give stakeholders power in making and influencing decisions. If those who are involved in setting the agenda have no power to influence decisions in setting the agenda then their involvement can be described as superficial or not genuine. Low levels of influence and weak mechanisms do not have power that can match the level of power in the stage of agenda setting.

Table 5.7: Affiliation vs Engagement

Affiliated within an umbrella group	Q19 Stage of Engagement						N	%
	No Engagement %	Evaluation %	Monitoring %	Implementation %	Project/Policy design %	Agenda Setting %		
No	8	0	0	0	10	82	146	60
Yes	6	0	1	0	10	83	97	40
% of total resp	7	0	1	0	10	82	243	100
Affiliated within an umbrella group	Q20 Level of Influence on decisions						N	%
	No influence %	information sharing %	Consultation %	Participation in design of project or policy %		Joint decision making %		
No	21	0	2	8		69	146	60
Yes	12	2	2	2		82	96	40
% of total resp	17	1	2	5		74	242	100
Affiliated within an umbrella group	Q21 Engagement Mechanism						N	%
	No engagement %	Public hearings %	Advisory groups %	Taskforces %	Partnership %	Joint committees %		
No	18	0	7	4	18	53	146	60
Yes	16	1	2	0	19	62	96	40
% of total resp	17	0	5	3	18	57	242	100

Voluntary Organisations, Age and Engagement

As with transparency, the age of a voluntary organisation was the second variable tested, as to its influence on the three dimensions of stakeholder engagement (see Table 5.8). Initially I divided organisational respondents into two groups to see if there is a distinct difference between them: the first group was for those who had been in existence for up to 20 years; and the second group was for those organisations over 20 years old. 48 per cent of organisations had been in existence up to 20 years compared to 52 per cent that were more than 20 years old. The survey returns demonstrated that 86 per cent of respondents aged up to 20 years old claimed to have recourse to the highest stage of engagement, that of agenda-setting. 74 per cent of these organisations reported allowing their stakeholders to have the highest level of influence on decisions (joint decision-making). But, only 54 per cent matched the first two dimensions with the highest mechanism of engagement, that of joint committees. This disparity in the engagement process over the three dimensions again suggests potential weaknesses and contradictions in the implementation of the engagement process.

As for the voluntary organisations who had been in existence for more than 20 years, the survey returns demonstrated that 78 per cent of these organisational respondents claim to engage with their stakeholders at the highest stage of agenda setting. Three quarters reported allowing these stakeholders to have the highest level of influence by allowing them to form decisions jointly. However, only 59 per cent of organisational respondents who had been in existence for over 20 years referred to their use of the highest engagement mechanism, joint committees, which corresponds to the higher level of engagement in the first two dimensions. Although the findings show that older

voluntary organisations have a consistent level of engagement in the first two dimensions, indicating that they have a more effective model of engagement with their stakeholders than younger respondents. However both groups of voluntary organisation were poor in choosing the right mechanism which matches the level of engagement in the first two dimensions (level of influence and stage of engagement).

In order to give more detailed results, I decided to divide the age of respondent organisations into 5 groups: less than 8 years old ; 8-14 years old; 15-24 years old; 25-49 years old; and 50 years old or more. Voluntary organisations who have been in existence for 50 years or more were more consistence in their involvement over the three engagement dimensions than other age groups. However, there was still a moderate drift in the level of mechanism used compared with the first two dimensions (stage of engagement and the level of influence on decisions).

In fact, 89 per cent of respondents between 8 and 14 years old engaged at the highest stage of agenda setting. Second came voluntary organisations that were less than 8 years old, with 84 per cent of these respondents reporting to engage on the highest stage of agenda setting. Third came respondents aged between 15-24 years with 83 per cent of them engaged at the highest level. Fourth place was for those respondent organisations which were over 50 years old, with 78 per cent of them engaged on the highest stage. Finally fifth place was occupied by voluntary organisations aged between 25 and 49 years old, with 77 per cent of them indicating that they had recourse to engage stakeholders in the highest stage of agenda setting in the decision-making process. The variation between the five age groups was not judged to be significant which means that in general most respondents have similar practice regardless of their

age although younger organisations indicated slightly more usage of the highest stage of agenda setting than the older organisations. However, the use of this highest stage of engagement could be meaningless if it is not matched with higher levels of influence and mechanism on the second and third dimensions of the engagement process.

As for the relationship between the age of voluntary organisation respondents and the second dimension of engagement or the level of influence on decisions, the results reveal that 80 per cent of organisations aged between 8-14 years old and between 25-49 years old claimed to use the top level of influence on decisions, which is joint decision-making. But this level of influence does not differ significantly according to age. Thus 74 per cent of voluntary organisations under 8 years old also reported the use of joint decision making or the top level of influence, in comparison to those organisations aged 50 years old or over where 70 per cent of respondents claimed to use the top level of influence. Similarly, as for the last age group, voluntary organisations aged between 15 and 24 years old, 67 per cent of respondents referred to the use of joint decision-making with stakeholders. The results of age in relation to the second dimension of engagement are in line with those of the first dimension as the vast majority of respondents are engaged with their stakeholders using the top level of influence on decisions.

Turning to the relationship between age and the third dimension of engagement, the engagement mechanism, the majority of respondent organisations aged 50 years or more, (63 per cent) reported using the highest mechanism, that of joint committees. Next highest in terms of the proportion of respondents using joint committees were those organisations aged between 8 and 14 years old, with 59 per cent of respondents

claiming to use this mechanism. In third position came respondent organisations aged between 25 and 49 years old with 57 per cent; fourth were organisations aged between 15 and 24 years old (53 per cent); and finally the fifth place was for respondents who have been in existence for 7 years or less (47 per cent). Unlike the pattern of respondents' performance in the first and second dimensions, the result show that older voluntary organisations were more likely to perform more highly on the third dimension than younger organisations, with the notable exception of organisations aged between 8 and 14 years old. To complete this picture, an average of 17 per cent of respondents reported no engagement in terms of the second and third dimensions whilst some 7 per cent reported no level of stakeholder engagement on the first dimension.

By comparing the involvement of the five age groups over the three dimensions of the engagement model, the findings reveal that the youngest group of voluntary organisations who have been in existence less than 8 years were the least consistent with their involvement over the three dimensions. The third youngest group, those organisations who have been in existence for 15 to 24 years were the second least consistent. On the other hand, the oldest age group, voluntary organisations over 50 years old were the most consistent across the three dimensions, and the second oldest age group were the second most consistent. Nevertheless, even with those respondents who were considered to be consistent in their involvement over the three dimensions of engagement, there was slight disparity between their involvements over the three dimensions of engagement, particularly between the first two dimensions and the third dimension of engagement mechanism.

Table 5.8: Age Summary vs Engagement

Table 3.6: Age Summary vs Engagement

VO Age Summary	Q19 Stage of Engagement						Total	%
	No Engagement %	Evaluation %	Monitoring %	Implementation %	Project/Policy design %	Agenda Setting %		
up to 20 years of existence	5	0	0	0	9	86	116	48
over 20 years of existence	9	0	1	1	12	78	126	52
Total	7	0	0	0	10	82	242	100
VO Age Summary	Q20 Level of Influence on decisions						Total	%
	No Influence %	information sharing %	Consultation %	Participation in design of project or policy %	Joint decision making %			
up to 20 years of existence	15	1	3	7	74	115	48	
over 20 years of existence	18	2	2	4	75	126	52	
Total	17	1	2	5	74	241	100	
VO Age Summary	Q21 Engagement Mechanism						Total	%
	No engagement %	Public hearings %	Advisory groups %	Taskforces %	Partnerships %	Joint committees %		
up to 20 years of existence	17	0	5	4	20	54	115	48
over 20 years of existence	17	1	5	1	17	59	126	52
Total	17	0	5	3	18	56	241	100

Table 5.9: Age split into 5 groups vs Engagement

5 Age categories	Q19 Stage of Engagement						Total
	No Enga gement %	Evaluative %	Monitoring %	Implementa tion %	Project/Policy design %	Agenda Setting %	
Less than 8 years	5	0	0	0	11	84	19
8 to 14	6	0	0	0	4	89	47
15 to 24	5	0	0	0	12	83	66
25 to 49	9	0	0	0	14	77	70
50 & more	10	0	1	1	8	78	40
Total	7	0	0	0	10	82	242
5 Age categories	Q20 Level of Influence on decisions						Total
	No Influence %	information sharing %	Consulta tion %	Participation in design of project or policy %	Joint decision making %		
Less than 8 years	21	0	0	1	74	19	
8 to 14	11	0	2	2	80	46	
15 to 24	20	2	1	6	67	66	
25 to 49	16	1	1	1	80	70	
50 & more	20	0	1	3	70	40	
Total	17	1	2	5	74	241	
5 Age categories	Q21 Engagement Mechanism						Total
	No Mechani sm %	Public hearings %	Advisory groups %	Taskfo rces %	Partnershi ps %	Joint committees %	
Less than 8 years	16	0	0	5	32	47	19
8 to 14	15	0	2	4	20	59	46
15 to 24	17	0	10	3	17	53	66
25 to 49	19	1	0	1	21	57	70
50 & more	17	0	12	0	8	63	40
Total	17	0	5	3	18	56	241

Income and Engagement

Testing levels of income against the stage of engagement, an initial look at the findings in Table 5.11 shows that there was only little variation across the five categories of income. Approximately four fifths of respondent organisations reported that they engage stakeholders at the agenda-setting stage (whatever their reported level of income). Equally, no clear pattern of level of stakeholder influence emerged to support the initial hypothesis that larger income supports greater levels of engagement. There was however variation across the categories. For example, 84 per cent of respondent organisations with an annual income between £500,000 and £999,999 claimed to engage in joint decision-making, compared to 74 per cent for those organisations with an annual income less than £500,000, 69 per cent of those respondents with annual income between £1m and £4,999,999, and 71 per cent of those with annual incomes above £5 million. Finally, turning to the impact of income on engagement mechanisms, joint committees were used by 65 per cent of respondent organisations with an annual income between £500,000 and £999,999. This income category of respondents outperforms other categories consistently across all three dimensions of engagement. Although the worst performers were organisations with an annual income of less than £250, 000 as only 45 per cent of respondents in this category used joint committees (See Table 5.10). Overall, therefore, respondents have similar practices with regard to the three engagement dimensions regardless of annual income. There is no identifiable trend in the relationship between engagement size of annual income, although, organisations with an annual income between £500,000 and £999,999 perform consistently (but not significantly) better across the three dimensions of engagement.

However, the three dimensional model of engagement proposes that the engagement process should be looked at and assessed simultaneously over the stage of engagement, the level of influence allowed to stakeholders by voluntary organisations, and the mechanism used to carry out the engagement process. The findings (Table 5.11) suggest that engagement practices over the five income groups can be described as patchy and fragmented at best and arbitrary at worst. There are clear inconsistencies in implementing the three dimensions by respondents. However, the least consistent respondents were those who belong to the category with smallest annual income and the most consistent were respondents with annual income between one and five million pounds. The distinction between the five income groups was hard to draw which provides for a relatively weak evidence base to support any hypothesis.

Table 5.10: VO size: annual income summary vs Engagement

VO annual income summary	Q19 Stage of Engagement						Total	%
	No Engage ment %	Evaluation %	Monitoring %	Implementa tion %	Project/Polic y design %	Agenda Setting %		
£250000 up to £999,999	7	0	0	0	9	84	138	59
£1million up to £10m	5	0	1	1	13	80	94	41
Total	6	0	1	1	10	82	232	100
VO annual income summary	Q20 Level of Influence on decisions						Total	%
	No Influe nce %	information sharing %	Consultat ion %	Participation in design of project or policy %	Joint decision making %			
£250000 up to £999,999	14	2	2	4	78	138	60	
£1million up to £10m	18	1	3	8	70	93	40	
Total	16	1	2	6	75	231	100	
VO annual income summary	Q21 Engagement Mechanism						Total	%
	No engage ment %	Public hearings %	Advisory groups %	Taskforce s %	Partnership s %	Joint committees %		
£250000 up to £999,999	17	1	5	3	17	57	138	60
£1million up to £10m	15	0	6	2	19	57	93	40
Total	16	1	6	3	18	57	231	100

Table 5.11: Annual income split into 5 categories vs Engagement

Annual income 5 categories	Q19 Stage of Engagement						Total	%
	No Enga gement %	Evaluative %	Monitoring %	Implementa tion %	Project/Policy design %	Agenda Setting %		
Less than £250,000	0	0	0	0	0	100	11	5
£250,000 to £499,999	8	0	0	0	11	81	70	30
£500,000 to £999,999	9	0	0	0	7	84	57	25
£1m to £4,999,999	5	0	1	0	14	79	73	31
£5 million to £10 m	5	0	0	5	10	81	21	9
Total	6	0	1	1	10	82	232	100
Annual income 5 categories	Q20 Level of Influence on decisions						Total	%
	No Influence %	information sharing %	Consulta tion %	Participation in design of project or policy %	Joint decision making %			
Less than £250,000	9	0	0	18	73	11	5	
£250,000 to £499,999	14	3	3	6	74	70	30	
£500,000 to £999,999	16	0	0	0	84	57	25	
£1m to £4,999,999	21	0	4	6	69	72	31	
£5 million to £10 m	10	5	0	14	71	21	9	
Total	16	1	2	6	75	231	100	
Annual income 5 categories	Q21 Engagement Mechanism						Total	%
	No Mechani sm %	Public hearings %	Advisory groups %	Taskfo rces %	Partnershi ps %	Joint committees %		
Less than £250,000	18	0	0	0	36	45	11	5
£250,000 to £499,999	20	1	9	1	16	53	70	30
£500,000 to £999,999	12	0	2	5	16	65	57	25
£1m to £4,999,999	15	0	4	3	19	58	72	31
£5 million to £10 m	14	0	14	0	19	53	21	9
Total	16	0	6	3	18	57	231	100

Sources of voluntary sector income and engagement

I carried out further examinations on respondent organisation annual income by identifying the income streams, investigating whether the reliance on a specific source of funding might influence practices of accountability. As with transparency, for this purpose, I examined three sources of income: income from government, income from the private sector, and income from trading activities. Each source of income category was divided into five income portions including zero reliance, up to 25 per cent, from 26 per cent to 50 per cent, from 51 per cent to 75 per cent, and finally from 76 per cent to 100 per cent.

Turning first to income from government, respondent organisations, whatever the extent of their reliance on this source of funding, performed strongly, both in terms of stage of engagement and level of influence. Broadly speaking, approximately three quarters of respondents claimed to engage stakeholders in agenda setting and joint decision-making. Yet, this was not matched by concurrent levels of engagement in joint committees (see Table 5.12). This finding reinforces the existence of an apparent mismatch between commitments to engagement and the mechanisms deployed by respondent organisations. Only 60 per cent of organisations who depend on government for over three quarters of their funding used joint committees, compared to 80 per cent of respondents with less than 50 per cent dependence on government funding. Overall, respondents who rely on government the most (75 to 100 per cent) tend to perform better, but the variation is not substantial. Notably around quarter of organisations with no funding from government do not have any engagement mechanism with stakeholders at all. However, only 48 per cent of these organisations worked with stakeholders in joint committees. Indeed, this latter survey finding tends to support the potential impact of government funding on engagement mechanisms.

Table 5.12: VO source of income: from Government as a % from the total annual income

Income from government %	Q19 Stage of Engagement						Total	%
	No Engagem ent %	Evaluativ e %	Monitoring %	Implementa tion %	Project/Polic y design %	Agenda Setting %		
zero %	13	0	1	1	9	76	80	34
from 0.1% to 25%	6	0	0	0	11	83	48	21
from 25.1% to 50%	3	0	0	0	13	83	30	13
from 50.1% to 75%	3	0	0	0	17	79	29	12
from 75.1% to 100%	4	0	0	0	9	87	46	20
Total	7	0	0	0	11	81	233	100
Income from government %	Q20 Level of Influence on decisions					Total	%	
	No Influe nce %	information sharing %	Consultatio n %	Participation in design of project or policy %	Joint decision making %			
zero %	19	1	2	3	75	79	34	
from 0.1% to 25%	21	0	4	8	67	48	21	
from 25.1% to 50%	13	3	0	0	83	30	13	
from 50.1% to 75%	10	0	0	7	83	29	12	
from 75.1% to 100%	17	2	2	9	70	46	20	
Total	17	1	2	5	74	232	100	
Income from government %	Q21 Engagement Mechanism						Total	%
	No Mechan ism %	Public hearings %	Advisory groups %	Taskforces %	Partner ships %	Joint committees %		
zero %	23	0	7	4	18	48	79	34
from 0.1% to 25%	15	0	10	4	21	50	48	21
from 25.1% to 50%	10	0	0	0	10	80	30	13
from 50.1% to 75%	10	3	3	3	21	59	29	12
from 75.1% to 100%	17	0	2	0	20	61	46	20
Total	17	0	6	3	18	56	232	100

The imbalance between stages of engagement, levels of influence and mechanisms was confirmed when the reliance of private donations and trading activities were taken into account (see Table 5.13). Reliance on private funding appeared to be less of a driver to use joint committees. Indeed, as reliance on private funding increased, the use of joint committees with stakeholders did not increase, with organisations who relied on private funding for over three-quarters of their income using joint committees less than those organisations with no private funding, 41 per cent and 49 per cent respectively. In comparison, the use of joint committees was more consistent as reliance on trading activities as a source of income increased (relative to other sources of income) (see Table 5. 14).

By drawing a rough comparison between the three sources of income, the findings from the survey demonstrate that organisational respondents who derived over 25 per cent of their annual income from governmental sources were more likely to be more consistent in their engagement processes. These organisations, the data suggests, mapped the three dimensions of engagement more in line with each other, particularly in terms of mechanisms and stakeholder influence and stage of engagement. This was the case in comparison to organisational respondents who derived their annual income from other streams of funding.

Table 5.13: VO source of income: from Private sector and Individuals as a % from the total annual income

Income

Private sector and Individuals %	Q19 Stage of Engagement						Total	%
	No Engagement %	Evaluation %	Monitoring %	Implementation %	Project/Policy design %	Agenda Setting %		
zero %	11	0	2	0	11	76	55	24
from 0.1% to 25%	3	0	0	1	11	85	96	41
from 25.1% to 50%	7	0	0	0	7	85	27	11
from 50.1% to 75%	9	0	0	0	13	78	23	10
from 75.1% to 100%	13	0	0	0	13	75	32	14
Total	7	0	0	0	11	81	233	100
Private sector and Individuals %	Q20 Level of Influence on decisions						Total	%
	No Influence %	information sharing %	Consultation %	Participation in design of project or policy %	Joint decision making %			
zero %	16	2	4	9	69	55	24	
from 0.1% to 25%	14	0	2	5	79	95	41	
from 25.1% to 50%	18	0	0	4	78	27	11	
from 50.1% to 75%	26	4	4	0	65	23	10	
from 75.1% to 100%	22	3	0	3	72	32	14	
Total	17	1	2	5	74	232	100	
Private sector and Individuals %	Q21 Engagement Mechanism						Total	%
	No Mechanism %	Public hearings %	Advisory groups %	Taskforces %	Partnerships %	Joint committees %		
zero %	22	2	7	4	16	49	55	24
from 0.1% to 25%	12	0	3	1	15	69	95	41
from 25.1% to 50%	19	0	11	3	15	52	27	11
from 50.1% to 75%	22	0	8	4	17	49	23	10
from 75.1% to 100%	19	0	3	3	34	41	32	14
Total	17	0	6	3	18	56	232	100

Table 5.14: VO source of income: from trading activities as a % from the total annual income

Table 3.14: VC source of income, from trading activities as a % from the total annual income								
from trading activities %	Q19 Stage of Engagement						Total	%
	No Engagement %	Evaluation %	Monitoring %	Implementation %	Project/Policy design %	Agenda Setting %		
zero %	8	0	0	0	11	80	82	35
from 0.1% to 25%	9	0	1	0	9	81	80	34
from 25.1% to 50%	4	0	0	0	12	84	25	11
from 50.1% to 75%	5	0	0	0	11	84	19	8
from 75.1% to 100%	4	0	0	4	15	77	27	12
Total	7	0	0	0	11	81	233	100
from trading activities %	Q20 Level of Influence on decisions						Total	%
	No Influence %	information sharing %	Consultation %	Participation in design of project or policy %	Joint decision making %			
zero %	16	4	1	7	72	82	35	
from 0.1% to 25%	21	0	3	3	74	80	34	
from 25.1% to 50%	12	0	0	8	80	25	11	
from 50.1% to 75%	16	0	5	0	79	19	8	
from 75.1% to 100%	15	0	4	8	73	26	12	
Total	17	1	2	5	74	232	100	
from trading activities %	Q21 Engagement Mechanism						Total	%
	No Mechanism %	Public hearings %	Advisory groups %	Taskforces %	Partnerships %	Joint committees %		
zero %	16	1	2	4	28	49	82	35
from 0.1% to 25%	15	0	7	0	19	59	80	34
from 25.1% to 50%	20	0	0	8	4	68	25	11
from 50.1% to 75%	16	0	5	5	11	63	19	8
from 75.1% to 100%	23	0	15	0	4	58	26	12
Total	17	0	6	3	18	56	232	100

5.3 CONCLUSIONS

This chapter has investigated the extent to which organisational characteristics (affiliation, age and income) account for variations in practices of transparency and engagement. First, its analysis revealed that there is no positive influence on practices of transparency exercised either by affiliation, age, or levels of income. The source of income did explain more of the variation in practices across organisation respondents. On the one hand, reliance on government funding did appear to have a positive impact on how organisations engaged with the different practices of transparency. On the other hand, reliance on trading had a broadly negative impact on an organisation's engagement in the practices of transparency identified in the survey. This finding has

important implications for recent changes to funding, as with more reliance on trading and less funding being made available by government to voluntary organisations, it is possible to hypothesise that the engagement of voluntary organisations with transparency practices may decline (this hypothesis is discussed further in the conclusion to this thesis).

Second, the analysis demonstrated the complexities of organisation respondents' practices of stakeholder engagement. Affiliation had a very weak influence on the stage of engagement but it exercised a strong positive impact on the level of influence attributed to stakeholders and the mechanism that organisations reported to deploy. Similarly, age and income had a positive influence on the engagement mechanism deployed. As for sources of income, it is notable that organisations which attract 25 to 50 per cent of their income from government performed well across all three dimensions of engagement, although broadly speaking sources of income did not appear to have any consistent impact on the three dimensions of engagement studied.

Importantly, however, the analysis reveals a disjuncture across organisations between the stage of engagement at which they work with stakeholders, the level of influence attributed to stakeholders, and the engagement mechanism deployed. This was the case for affiliation, age and annual income. Looking at the third dimension of engagement mechanism shows that organisations were less keen to use the highest mechanism compared to the highest levels in terms of the stage of engagement and the level of influence; and that was the case regardless of age, affiliation and income. This disjuncture may well contribute to critical accounts of the limits of stakeholder engagement within voluntary organisations, as well as surfacing new policy challenges

for government; an issue to which I return in Chapter Seven. Having examined the impact of organisational variables, I now turn however to an analysis of the final piece of the jigsaw: the analysis of the impact of policy on levels of accountability across voluntary organisations.

CHAPTER SIX

DO POLICIES MATTER?

At this stage in the analysis, I have yet to investigate directly the influence policies on the practices of transparency and participation generated by the survey returns⁵. Neither have I submitted the explanatory capacity of the 'thick' account of interactive accountability to examination. In this chapter, I address these two tasks. I use multiple regression analysis to test the power of policies regarding transparency and participation, as well as guidelines on transparency and participation, and codes of standards, to explain practices of accountability. More specifically, these independent variables are analysed to demonstrate how far they can account first for respondents' scores on stakeholder engagement (SE) and second for practices of transparency (TR). After conducting the regression analysis, I test the 'thick model' of accountability, which allows for the interaction of participation and transparency, to see how far it offers an effective model of predicting an organisation's practices of accountability. This chapter examines the interaction between participation and transparency, seeking to examine the validity of the interactive model of accountability.

Applying multiple regression analysis, a form of general linear modelling, is justified by the fact that relationships and predictions in real life scenarios, as in this case, are best established and made by a combination of factors. By applying this analysis, the relative contribution of each independent variable in explaining variance in the criterion (dependent) variables, i.e. transparency, participation, or thick interactive accountability, can be

⁵ In this chapter and throughout the thesis, I am using the terms stakeholder engagement in the decision-making process and participation interchangeably. For the purpose of this thesis both terms 'stakeholder engagement and participation' shall have the same meaning.

determined. With this in mind, each of the analyses performed at each stage is regarded as a model, with a view to establishing the model that best explains the criterion (dependent) variables. The series of regression analyses undertaken in this chapter examine whether there is a relationship between the accountability framework and the existence of policies, between the accountability framework and the extent of guidelines for participation and transparency practices, as well as the impact of the existence of a board code of standards. Before turning to the results of these regression analyses, I first outline the assumptions underpinning and the verification of the results of the regression tests. I then turn to the explanation and interpretation of these results.

6.1 Validating the Regression Analysis

The relationships between policy, guidelines and board code of standards and stakeholder engagement, transparency and 'thick' accountability are presented in three different models. The first model, SE, examines the explanatory power of the five independent variables mentioned below to account for the first dimension of the accountability framework, namely the practices of Stakeholder Engagement (SE). The second model, TR, analyses the explanatory power of these independent variables to the second dimension of the accountability framework, namely practices of Transparency (TR). The third model, TA, investigates the explanatory power of the independent variables on the combined dimensions of accountability, namely SE and TR brought together in one dependent variable, $TA = SE + TR$, which I call 'thick accountability' (as discussed in Chapter Two).

The five independent variables, were I selected from a close reading of existing literature as the most common aspects considered to be proxies for validating accountability (see for example the work of Blagescue (2005) and Salamon (2005)). The independent variables are:

- i) Stakeholder engagement guidelines, a continuous variable (PPG)
- ii) Existence of policy on stakeholder engagement, a dummy variable⁶ (DEP)
- iii) Transparency guidelines, a continuous variable (TPG)
- iv) Existence of policy on transparency, a dummy variable (DTP)
- v) Existence of board code of standards, a dummy variable (DBS)

In relation to these variables, let me restate the distinction I drew between policy and guidelines. In some ways this may be interpreted as a false distinction. In much of the literature, policy and guidelines might be conflated. To some, guidelines might thus be a policy. However, for the purposes of this study, I draw an analytical distinction between guidelines and policy. I define policy as a statement of intent, while I associate guidelines with the codified rules and norms informing steps for implementation. I draw this analytical distinction because it aids the identification of those organisations with a 'tick box' attitude towards transparency and participation as opposed to those who provide tools and rules to govern the implementation process.

However, at this stage, let me say a few words about the validation of the regression analyses undertaken and whether or not the assumptions of regression analysis hold for the study (namely multicollinearity, normality, linearity, homoscedasticity, and independence of

⁶ Dummy variables take values 1 or 0.

residuals) (Hair et.al, 1998). Assessing these assumptions is necessary part of any exercise in regression analysis in order to avoid any bias or negative impact on the accuracy of the results obtained. For example, the multicollinearity assumption, which indicates a high correlation between independent variables in one model, if violated, can have serious impact on the explanatory effect of each independent variable in a regression model. It can also limit the size of the coefficient of determination. Indeed, violation of multicollinearity can also significantly affect the estimation of the regression coefficients (Hair et.al., 1998). Non-violation of these assumptions thereby increases the likelihood of generalising the model results to the entire population (Field, 2005).

Table 6.1: Correlations

		1 SE	2 TR	3 TA	4 PPG	5 TPG	6 DEP	7 DTP	8 DBS
1	SE	1	0.368	0.769	0.607	0.302	0.260	0.127	0.164
2	TR		1	0.877	0.543	0.382	0.373	0.184	0.126
3	TA			1	0.682	0.412	0.383	0.178	0.148
4	PPG				1	.392	0.337	0.253	0.184
5	TPG					1	0.352	0.369	0.093
6	DEP						1	0.545	0.163
7	DTP							1	0.230
8	DBS								1

With this in mind, a simple observation of the correlation matrix (Table 6.1) for the five independent variables indicates a low to moderate correlation between them, suggesting absence of collinearity. The variance inflation factor (VIF) for the independent variables in SE, TR, and TA should be less than 10 for non-violation: PPG has VIF = 1.271; DEP VIF = 1.537; TPG VIF = 1.323; DTP VIF = 1.542; and DBS VIF = 1.077. These values indicate non-violation of the collinearity assumption between the independent variables in the three

models SE, TR, and TA. Equally, the normal probability plot (P-P) of the regression standardised residual and the scatter plot suggest no deviation from normality.⁷ The points lie in a reasonable straight diagonal line, and the residuals are roughly rectangularly distributed with concentration of the scores in the centre. Thus, the assumptions of normality, linearity, homoscedasticity, and independence of residuals are not violated. Residuals with values that are far from the mean in a distribution are called outliers. Tabachnick and Fidell (2007) define outliers as cases that have a standardised residual of more than 3.3 or less than -3.3. The case-wise diagnostics table⁸ shows three cases having residual values between -3.3 and -4.00. With large samples, it is not uncommon to find a number of outlying residuals. According to Pallant (2007) if there are few outliers, it may not be necessary to take any action. To check if these three outliers are having any undue influence on the results for the proposed TA model, I checked the value for Cook's Distance in the Residuals Statistics table. According to Tabachnick and Fidell (2007) cases with values of Cook's Distance larger than 1 may indicate potential problems. In this case the maximum value for Cook's Distance is 0.099, which suggests the absence of any undue influence by these outliers on the model's results as a whole.

Table 6.2 gives a summary of the results for the regressions. It shows results for the three models, SE, TR and TA, and for sub-models, denoted by 1, 2, et cetera. Each model is presented in its own panel. For each model the table shows the R^2 and the model F-statistic, and for each variable the coefficient value β , its t-statistic t , and the p-value p . Variables excluded from particular models are indicated with an X in their coefficient boxes.

⁷ The assumptions of normality, linearity, homoscedasticity, and independence of residuals were tested for the TA model M3 only.

⁸ Casewise Diagnostics and the full analysis tables can be found at appendix A Regression Page ...

The following sections now lay down the statistical results of the regression analyses of the three alternative models of the accountability framework plus their interpretations and implications on policy and practice. I begin by analysing the capacity of the multiple variables identified and tested to explain the practices regarding participation or the level of stakeholder engagement in the decision-making process (SE).

Table 6.2: Summary of regression results

Dep variables	Model	Coefficients		Independent variables					R ²	F
			α	PPG	DEP	TPG	DTP	DBS		
SE	1	B β t ρ	3.824 - (3.831) [0.000]	0.300 0.559 (9.660) [0.000]	0.842 0.091 (1.428) [0.155]	0.145 0.085 (1.447) [0.149]	-1.306 -0.110 (-1.732) [0.085]	1.082 0.064 (1.209) [0.228]	0.385	29.253 [0.000]
	2	B β t ρ	4.607 - (6.064) [0.000]	0.305 0.568 (9.897) [0.000]	0.854 0.092 (1.448) [0.149]	0.140 0.083 (1.399) [0.163]	-1.154 -0.097 (-1.551) [0.122]	X	0.381	36.129 [0.000]
	3	B β t ρ	4.025 - (6.018) [0.000]	0.314 0.586 (10.704) [0.000]	0.575 0.062 (1.134) [0.258]	X	X	X	0.371	69.977 [0.000]
TR	1	B β t ρ	14.037 - (10.342) [0.000]	0.304 0.422 (7.194) [0.000]	2.856 0.230 (3.563) [0.000]	0.406 0.178 (2.975) [0.003]	-1.890 -0.119 (-1.843) [0.067]	0.492 0.022 (0.404) [0.686]	0.364	26.895 [0.000]
	2	B β t ρ	14.393 - (13.967) [0.000]	0.306 0.425 (7.325) [0.000]	2.862 0.230 (3.577) [0.000]	0.404 0.177 (2.967) [0.003]	-1.821 -0.115 (-1.804) [0.073]	X	0.364	33.698 [0.000]
	3	B β t ρ	19.823 - (22.223) [0.000]	X	X	0.830 0.364 (5.694) [0.000]	0.782 0.049 (0.770) [0.442]	X	0.148	20.985 [0.000]
TA (SE+TR)	1	B β t ρ	18.769 - (10.991) [0.000]	0.603 0.580 (11.360) [0.000]	3.702 0.206 (3.671) [0.000]	0.542 0.165 (3.160) [0.002]	-3.401 -0.148 (-2.636) [0.009]	0.868 0.027 (0.567) [0.572]	0.520	50.675 [0.000]
	2	B β t ρ	19.397 - (14.956) [0.000]	0.607 0.584 (11.553) [0.000]	3.712 0.207 (3.687) [0.000]	0.539 0.163 (3.145) [0.002]	-3.279 -0.143 (-2.581) [0.010]	X	0.519	63.446 [0.000]
DVs	Model	Coefficients		PPG	DEP	TPG	DTP	DBS	R ²	F

6.2 STAKEHOLDER ENGAGEMENT (SE)

Here I conducted multiple regression exercises to test the relationship between the independent variables of policies, guidelines and codes of governance and the dependent variable of stakeholder engagement model. In each regression test a number of variables were added to the regression and the test was repeated until the best model (combination of variables) was reached. After conducting three regression alternatives, the best result was reached by the second sub-model of engagement (SE2) where about 38 per cent of the variance of the level of stakeholder engagement was explained by four of the independent variables, codes of standards having been eliminated.

The SE-1 model had 38.5 per cent of its variance explained by the independent variables. The model has a very significant F statistic, with p -value of 0.000 which indicates that the independent variables in the model are making a significant contribution to the model. The results clearly show that the extent of participation guidelines (PPG) makes the largest unique contribution ($\beta_{PPG} = 0.559$) to explaining stakeholder engagement, SE, as compared with the extent of guidelines and procedure of transparency policy (TPG) where $\beta_{TPG} = 0.085$. These contributions had significance of 0.000 and 0.149 respectively. PPG is highly significant at the 1 per cent level, TPG is not significant at the 10 per cent level. This means that the extent of guidelines and procedures of transparency policy has no significant impact on explaining levels of participation. Rather, it is the extent of participation guidelines that make the most significant impact. Equally, policies and codes of standards are not significant in terms of explaining practices of participation. The results show that that all three dummy variables (the existence of participation policy ($\beta_{DEP} = 0.091$), the existence of transparency policy

($\beta_{DTP} = -0.110$) and the existence of board code of standards ($\beta_{DBS} = 0.064$) make modest contributions to the participation model (SE). Of these, the p -values were $p_{DEP} = 0.155$, $p_{DTP} = 0.085$, and $p_{DBS} = 0.228$, so that board code of standards (DBS) has the least significance. The existence of policy regarding transparency (DTP) is significant at the 10 per cent which indicates that it has a weak to a moderate impact on the level of stakeholder engagement.

In an attempt to find whether the SE model can be improved, I decided to change the formation of the independent variables within the SE model. I repeated the test by excluding the existence of board code of standards (DBS) because it had the lowest significance where its p -value was the highest, ($p_{DBS} = 0.228$). This model is called model SE-2. The results in SE-2 are very similar to that of SE-1. The R^2 (the percentage of variance explained in the model) goes down very slightly from 38.5% in SE-1 to 38.1% in SE-2. The model's F (the hypothesis testing generated by the regression test) the stat has significance = 0.000, the same as SE-1. The beta values are almost the same as for model SE-1.

As a whole the regression is improved by removing DBS which had no significant contribution to the model as it leaves a more parsimonious model. The results in SE-2 clearly show that, the extent of guidelines for transparency practice (TPG) and the existence of policy regarding transparency (DTP) have contributed to a lesser extent to the level of participation (the SE model) than the contribution of guidelines for participation (PPG) and the existence of a participation policy (DEP). Having a transparency policy is not statistically significantly in terms of its impact on the level of participation.

With this in mind, I decided to repeat the regression test after removing the independent variables (TPG and DTP). This new model is called model (SE-3) which has PPG and DEP as independent variables with SE remaining as the dependent variable. However, Model SE-3 recorded an R^2 of 37.1%, which is slightly lower than the R^2 s for SE-1 and SE-2 but not notably so. The betas for PPG and DEP in SE-3 are similar to those in models SE-1 and SE-2. However the p -value of DEP has risen to 0.258 from 0.149 which shows that participation policy become less influential to the level of participation. This indicates that the extent of guidelines for transparency (TPG) and the existence of policy regarding transparency (DTP) might have indirect influence in explaining the variance of the dependent variable of participation and so that they should remain in the SE model.

There are a number of implications of these regression analyses. The data suggests that stakeholder engagement processes are positively correlated to the extent of guidelines and procedures that organise the engagement process in practice. What matters most is having participation guidelines in place. Having a policy statement does not impact on the level of stakeholder engagement in an organisation's decision-making process. The mere existence of policy does not have an effective contribution to make to the process of stakeholder engagement in the decision-making process. The sign of β_{DTP} is negative which implies that the existence of a policy, as opposed to transparency measures themselves, actually reduces participation (SE). The interactions between transparency and participation are complicated. It might be expected that engagement process impacts on transparency or vice versa. However, the data shows that guidelines and procedures regarding transparency do not effectively impact on the process of participation. At best, the existence of transparency

policy and guidelines has an indirect and minor effect on participation.

Overall, this suggests that organisations might declare to have a policy statement in place with regard to participation processes. However, as might be expected, this can be no guarantee as to the level of participation remains low. In many ways, these findings clarify a distinction between two groups of respondents: the first group, have practiced engagement process through the implementation of procedures and guidelines that lead to real engagement with stakeholders; the other group of respondents only have a policy statement regarding engagement which is relatively inactive with the negative consequences for outcomes. Real engagement is not about the labels but it is about the substance of everyday practices. But, equally, the complex interactions between participation and transparency are beginning to be sketched out by this study. I now turn to the explanation of practices of transparency, with the aim of shedding more light on these interactions.

6.3 TRANSPARENCY (TR)

Here I conducted multiple regression analyses to test the relationship between selected independent variables and, in this case, practices of transparency. Again, in each regression test a number of variables were added to the regression and the test was repeated until the best model (combination of variables) was reached. The results of the regression analysis revealed that the best combination of variables to explain levels of transparency was the second sub-model of transparency (TR-2). 36.4 per cent of the variance of the level of

transparency practices was explained by four of the independent variables, codes of standards having been eliminated.

The result of the regression analysis for the full TR model (TR-1), registered an R^2 of 0.364 indicating that the five independent variables managed to explain 36.4% of the variance of the independent variable of transparency. The model has a very significance F statistic, with ρ -value of 0.000. Importantly as I discuss below, the results clearly show that the extent of guidelines for participation practices (PPG) makes the largest unique contribution ($\beta_{PPG} = 0.422$) to explaining the level of transparency (TR). The extent of guidelines for transparency (TPG) matter less ($\beta_{TPG} = 0.178$). These contributions had significance of 0.000 and 0.003 respectively. PPG and TPG are both significant at the 1% level.

As for the dummy variables, all except the existence of board code of standards (DBS) made a sizeable contribution to explaining transparency. The existence of board code of standards clearly made nearly no contribution to explaining the variance in the level of transparency ($\beta_{DBS} = 0.022$). However, the complex interactions between transparency and participation were made visible. The existence of policy regarding participation made a sizeable contribution of $\beta_{DEP} = 0.230$, but somewhat paradoxically, the existence of policy regarding transparency made a moderate negative contribution of $\beta_{DTP} = -0.119$. The ρ -values were $\rho_{DEP} = 0.000$, $\rho_{DTP} = 0.067$, and $\rho_{DBS} = 0.686$, so that again DBS has least significance; DTP is significant at the 10% level. The sign of β_{DTP} was negative as in model one (SE) which implies that the existence of policy regarding transparency actually reduces the level of transparency (TR).

In an effort to improve the predictive capacity of the model, TR, I repeated the test, as with stakeholder engagement, by excluding DBS because of its low contribution to explaining variance. This revised model is called model TR-2. The results show that TR-2 has an identical R^2 value to that in TR-1 which means the eliminated variable of (DBS) did not have any impact at all on the model. The model (TR-2) F statistic has significance = 0.000, the same as TR-1. The beta values are almost the same as for model TR-1. Once again, removal of the DBS variable generates a more parsimonious model by only keeping the variables that make a sizeable contribution to explaining variance in the dependent variable. As Table 6.2 demonstrates, the results in TR-2 clearly show that the two independent variables of the extent of guidelines for transparency (TPG) and the existence of transparency policy (DTP) contribute less than the extent of guidelines for participation (PPG) and the existence of participation policy (DEP) to the variance in the dependent variable of transparency (TR). PPG, DEP, and TPG are significant at the 1 per cent level whereas DTP is at the 10% level of significance.

Importantly, these results in the transparency model (TR-2) expose further the complexity of the interactions between transparency and participation in relation to accountability practices. Participation guidelines and policy have a more positive impact on the level of transparency than actual transparency policies and guidelines. Participation frameworks, as widely acknowledged, are multidimensional and have an element of information provision embedded within them. With this in mind, and seeking to isolate how much of the variance in the transparency model (TR) was attributable to transparency measures (TPG and DTP), I

repeated the regression test after removing the independent variables related to participation measures (PPG and DEP).

The new model is called model TR-3 which focusses solely on the extent of guidelines for transparency practices (TPG) and the existence of policy regarding transparency (DTP), with transparency (TR) remaining as the dependent variable. Model TR-3 recorded an R^2 value of 14.8%, which is considerably lower than the R^2 s for TR-1 and TR-2. The TR-3 model's F statistic has significance = 0.000 so although the TR-3 model is still very significant, its contribution to the level of transparency (TR) is much less than TR-1 and TR-2. The betas for the independent variables in TR-3 ($\beta_{TPG} = 0.364$ and $\beta_{DTP} = 0.049$) were different to the betas in TR-1 ($\beta_{TPG} = 0.178$ and $\beta_{DTP} = -0.119$) and TR-2 ($\beta_{TPG} = 0.177$ and $\beta_{DTP} = -0.115$). The p -values for the sub-variables in TR-3 were $p_{TPG} = 0.000$ and $p_{DTP} = 0.442$. These results indicate that the variables of the extent of guidelines for participation practices (PPG) and the existence of policy regarding participation (DEP) had an explanatory power and should remain in the model, with the conclusion that TR-2 offers the most effective combination of variables.

Overall, the result of the regression in TR-2 first confirms the interactions, and often surprising interactions, between transparency and participation practices. Levels of transparency can be positively influenced by having guidelines and procedures that organise transparency practices. But, levels of transparency are more positively impacted by applying guidelines and procedures that organise participation practices. Notably, this was not the case where participation was concerned, transparency guidelines did not explain levels of participation. Secondly, as in the participation model (SE), the transparency model (TR) has

exposed the ineffectiveness in certain conditions of having policies and board codes of standards in the voluntary sector. Board codes of standards make little difference to transparency. The variable of the existence of policy regarding participation did have a positive impact on the level of transparency. However, there is a substantive negative impact of the existence of policy regarding transparency on the level of transparency. As such, the best indicator of transparency practices, the data suggests, is participation guidelines and to a lesser extent a policy on participation. The existence of a transparency policy will run the risk of reducing levels of transparency.

6.4 THE THICK ACCOUNTABILITY MODEL (TA)

At this stage of the analysis, the study has begun to surface the complex interactions between participation and transparency in explaining accountability practices. In so doing, it has limited its focus to explanations of the focal assumptions of what might be termed thin and thick models of accountability. In this section I take the examination of the interactive dynamics of participation and transparency one step further by presenting the regression test for the 'thick' accountability' model. The dependent variable is the 'thick accountability' (TA) and independent variables used are the same as in the previous regression tests for participation (SE) and for transparency (TR). The new regression analyses suggested two alternative options to explaining the 'thick' accountability model in voluntary organisations. The result of the regression analysis reveals that the best combination of independent variables to explain the 'thick' accountability model was in the second alternative option of thick accountability (TA-2), with the variable relating to the board standards removed. As

before, the first model, TR1, tested all five independent variables, but the existence of board code of standards (DBS) did not make a significant contribution to explaining variance hence it was removed in the second option (TA-2). The remaining four independent variables (policies and guidelines on participation and transparency all made a significant contribution to the 'thick' accountability model (TA-2). 51.9 per cent of the variance in the TA-2 was explained by the four variables. This is considerably higher than the R^2 s for either SE or TR models. The model TA-2 has a very significance F statistic with p -value of 0.000. The results clearly show that all the four independent variables had large betas ($\beta_{PPG} = 0.584$, $\beta_{DEP} = 0.207$, $\beta_{TPG} = 0.163$, and $\beta_{DTP} = -0.143$). The p -values of the four variables in TA-2 were $p_{PPG} = 0.000$, $p_{DEP} = 0.000$, $p_{TPG} = 0.002$, and $p_{DTP} = 0.009$. The p -values show that all variables are significant at least at the 1 per cent level which means that they all made high contribution to the TR-2 model. These p -values in TA-2 are much healthier than the p -values in models SE and TR which suggest that transparency and participation can work together in a way that they do not when they are separate.

The findings of the thick accountability model have also shown a clear integration and interdependency between transparency and participation. Combining participation and transparency in one model which I call the thick accountability model (TA) provides significant evidence to suggest that participation and transparency complement each other and when taken together as a proxy for accountability, they offer better explanatory outcomes than when participation or transparency alone are taken as thin proxies for accountability. As for the independent variables the TA model was tested against, the findings show that guidelines for participation practices, existence of participation policy, and guidelines for transparency practices all were associated with increased level of accountability (TA) whereas the existence of policy regarding transparency was associated

with decreased levels of accountability (TA), that is, it had a negative association with accountability.

In general the findings show that the main contributor to improving organisations' accountability is the extent of having practical guidelines for implementing engagement and transparency. The regression analysis has identified a clear distinction between the impact of having a policy and the impact of having guidelines among organisations in the voluntary sector. The analyses, over the three models (TR, SE and TA) have pointed to a policy culture in the voluntary sector where having a policy does not mean having guidelines for implementation. Therefore, one implication from the analyses would be that contract providers such as government and local authorities should not be too concerned about the existence of policies among voluntary organisations and should not take them as an indication for accountability when contracting out services to the voluntary sector. This is because policies do not necessarily lead to better accountability.

However, the picture emerging from this analysis has to be further nuanced. Table 6.3 provides a summary for the regression findings from table 6.2. The (~) sign indicates no significance in the relationship between an independent and a dependent variable. The upward arrow indicates a significant positive relationship whereas the downward arrow indicates a significant negative relationship between an independent and a dependent variable. The existence of participation policy has no explanatory power on the level of participation (SE) but it does have a positive explanatory power on the level of Transparency (TR) and also in relation to the 'thick' accountability model (TA). The existence of transparency policy has a negative explanatory power in relation to the all three models (TR, SE, and TA). On the other hand, the extent of guidelines for participation has a positive

explanatory power to the all three models (TR, SE, and TA). The extent of guidelines for transparency has no explanatory power in relation to participation (the SE model) but it has a positive explanatory power to transparency (TR) and to thick accountability (TA). Overall, combining transparency and participation in one model of thick accountability (TA) has led to a greater contribution by the same independent variables.

Table 6.3: The relationship between dependent and independent variables

	SE		TR	
	Policy	Guidelines	Policy	Guidelines
SE	~	↗	↘	~
TR	↗	↗	↘	↗
TA	↗	↗	↘	↗
(~) = no impact, (upward arrow) = positive impact, (downward arrow) = negative impact.				

The existence of a policy on participation did not improve the level of participation but it improved the level of transparency and also it was positively related to increased level of 'thick' accountability. On the other hand the existence of policy regarding transparency was related to a reduced level of transparency, to a reduced level of participation and to a reduced accountability. Therefore, in order to gain more understanding on the impact of the existence of policies on the three models I decided to separate the existence of policy variables into formal (written) and informal (unwritten) policies to see if this distinction can lead to a different findings. In order to do so, I therefore repeat in the next section the correlation and regression analysis after I separated the existence of policy regarding participation (DEP) into

formal and informal components and also after separating the existence of policy regarding transparency (DTP) into these similar elements.

6.5 INFORMAL AND FORMAL POLICIES

Table 6.4 presents the correlation matrix for all the variables involved in the regression analysis after separating policy into formal and informal variations. The existence of formal transparency policy is denoted by DFTP; the existence of informal transparency policy is denoted by DITP; the existence of formal participation policy denoted by DFEP; and the existence of informal participation policy denoted by DIEP.

Table 6.4: correlation matrix of the dependent and independent variables including formal and informal policies

		1	2	3	4	5	6	7	8	9	10
		TA	SE	TR	PPG	TPG	DFTP	DITP	DFEP	DIEP	DBS
1	(TA) Thick accountability	1	0.769	0.877	0.682	0.412	0.201	-0.090	0.321	0.008	0.148
2	(SE) Participation		1	0.368	0.607	0.302	0.101	-0.021	0.192	0.030	0.164
3	(TR) Transparency			1	0.543	0.382	0.219	-0.103	0.329	-0.004	0.126
4	(PPG) Guidelines for participation				1	0.392	0.181	-0.019	0.256	0.036	0.184
5	(TPG) Guidelines for transparency					1	0.433	-0.194	0.390	-0.076	0.093
6	DFTP formal transparency policy						1	-0.783	0.464	-0.154	.088
7	DITP informal transparency policy							1	-0.308	0.306	0.063
8	DFEP formal participation policy								1	-0.631	.030
9	DIEP informal participation policy									1	0.109
10	DBS board code of standards										1

The correlation between the existence of informal and formal transparency policy (DITP and DFTP) equals -0.783 while the correlation between the existence of informal and formal

policy regarding participation (DIEP and DFEP) is -0.631. Both are greater than minus one which suggests that some voluntary organisations had formal and informal policy in place but that the majority of respondents had only one type of policy (either formal or informal) in existence.

There is a positive correlation between the existence of informal policy regarding participation (DIEP) and the existence of informal transparency policy (DITP) (0.306). There is also a positive correlation between the existence of formal participation policy (DFEP) and the existence of formal transparency policy (DFTP)(0.464). These correlations suggest that if a voluntary organisation has an informal policy regarding transparency then it is likely to also have an informal policy regarding participation. The same is true regarding the existence of the formal policy.

The correlation scores between the three models SE, TR, and TA and the existence of formal policies are greater than the informal ones. This might indicate that the existence of formal policy variables DFTP and DFEP will contribute more to the variance in the SE, TR and TA models than the existence of informal policy variables, DITP and DIEP. This will be examined by conducting regression analysis in the following section.

Table 6.5: Summary of regression results after separating the existence of policy into formal and informal

Informal												
Dep variables	Model	Coefficients		Independent variables							R ²	F
			α	PPG	DFEP	DIEP	TPG	DFTP	DITP	DBS		
SE	P 1	B	3.827	0.298	1.020	0.809	0.167	-1.626	-1.206	1.118	0.386	20.864 [0.000]
		β	-	0.555	0.125	0.104	0.098	-0.210	-0.154	0.064		
		t	(3.819)	(9.536)	(1.451)	(1.318)	(1.546)	(-1.925)	(-1.576)	(1.209)		
		ρ	[0.000]	[0.000]	[0.148]	[0.189]	[0.123]	[0.055]	[0.116]	[0.228]		
	P 2	B	4.630	0.303	1.004	0.831	0.163	-1.459	-1.054	X	0.382	24.028 [0.000]
		β	-	0.565	0.123	0.106	0.096	-0.188	-0.134			
		t	(6.039)	(9.791)	(1.427)	(1.353)	(1.508)	(-1.747)	(-1.393)			
		ρ	[0.000]	[0.000]	[0.155]	[0.178]	[0.133]	[0.082]	[0.165]			
	P 3	B	4.271	0.308	0.312	X	0.148	-0.448	X	X	0.375	35.296 [0.000]
		β	-	0.573	0.038		0.087	-0.058				
		t	(6.536)	(10.143)	(6.33)		(1.399)	(-0.944)				
		ρ	[0.000]	[0.000]	[0.527]		[0.163]	[0.346]				
TR	P 1	B	14.133	0.298	3.699	2.395	0.336	-1.908	-1.875	0.644	0.374	19.869 [0.000]
		β	-	0.415	0.339	0.229	0.148	-0.184	-0.178	0.029		
		t	(10.436)	(7.071)	(3.895)	(2.888)	(2.310)	(-1.672)	(-1.813)	(0.530)		
		ρ	[0.000]	[0.000]	[0.000]	[0.004]	[0.022]	[0.096]	[0.071]	[0.597]		
	P 2	B	14.596	0.302	3.690	2.407	0.334	-1.812	-1.787	X	0.373	23.205 [0.000]
		β	-	0.419	0.338	0.230	0.146	-0.174	-0.170			
		t	(14.125)	(7.224)	(3.892)	(2.909)	(2.299)	(-1.611)	(-1.753)			
		ρ	[0.000]	[0.000]	[0.000]	[0.004]	[0.022]	[0.109]	[0.081]			
	P 3	B	14.306	0.321	1.708	X	0.332	0.031	X	X	0.350	31.720 [0.000]
		β	-	0.446	0.156		0.145	0.003				
		t	(16.040)	(7.746)	(2.543)		(2.297)	(0.048)				
		ρ	[0.000]	[0.000]	[0.012]		[0.022]	[0.961]				
TA (SE+TR)	P 1	B	18.881	0.597	4.623	3.158	0.492	-3.665	-3.309	1.058	0.524	36.516 [0.000]
		β	-	0.574	0.293	0.209	0.149	-0.244	-0.217	0.032		
		t	(11.045)	(11.208)	(3.856)	(3.017)	(2.678)	(-2.544)	(-2.535)	(0.689)		
		ρ	[0.000]	[0.000]	[0.000]	[0.003]	[0.008]	[0.012]	[0.012]	[0.491]		
	P 2	B	19.641	0.602	4.608	3.179	0.488	-3.507	-3.165	X	0.523	42.619 [0.000]
		β	-	0.579	0.292	0.210	0.148	-0.233	-0.208			
		t	(15.052)	(11.426)	(3.849)	(3.041)	(2.662)	(-2.486)	(-2.459)			
		ρ	[0.000]	[0.000]	[0.000]	[0.003]	[0.008]	[0.014]	[0.015]			
DVs	Model	Coefficients		PPG	DFEP	DIEP	TPG	DFTP	DITP	DBS	R ²	F

Table 6.5 provides a summary of results for the regression analysis using the same dependent and independent variables in Table 6.2 but after separating the ‘existence of policy’ variables (DEP and DTP) into formal and informal where DFEP = formal participation policy, DIEP = informal participation policy, DFTP = formal transparency policy, and DITP = informal transparency policy. The dependent variables used in this round of regressions are given slightly distinguished labels from those in Table 6.2. The sub-models of participation (SE) are denoted by (P1, P2, P3), the sub-models of transparency (TR) are denoted by (P1, P2,

P3), and finally the sub-models of thick accountability (TA) are denoted by (P1, P2). Each model is presented in its own panel. For each model the table shows the model alpha, the R^2 and the model F-statistic, and for each variable the coefficient value unstandardized beta B, standardised beta β , its t-statistic t, and the p-value ρ . Variables excluded from particular models are indicated with an X in their coefficient boxes.

The stakeholder engagement model (SE)

The dependent variable of participation has three sub-models. The first one (SE-P1) shows that seven independent variables (the existence of formal participation policy, the existence of informal participation policy, guidelines for participation, the existence of formal transparency policy, the existence of informal transparency policy, guidelines for transparency, and board code of standards) explained 38.6% of the variance in the (SE-P1) which is almost identical to the proportion of the explained variance 38.5% in the (SE-1) model in Table 6.2. The results show that the unique contributions of the existence of formal policy and informal policy regarding participation (DFEP, DIEP) are not substantially different from the previous regression test (Table 6.2). There is no substantial difference between whether the existence of participation policy is formal or informal in terms of their explanatory power on the level of participation. However, the existence of informal policy regarding participation (DIEP) is slightly less significant than the existence of formal participation policy (DFEP). The existence of formal policy thus has slightly more explanatory power than the existence of informal policy regarding participation.

The results identified a difference in the explanatory power of the existence of formal or informal transparency policy against the level of participation. The existence of formal transparency policy reduces the level of participation greater than the existence of informal transparency policy. Indeed, the existence of formal transparency policy (DFTP) is significant at slightly above the 5 per cent level whereas the existence of informal transparency policy (DITP) has significance above the 10 per cent level. In comparison, the existence of transparency policy (DTP) in the SE-1 model (see Table 6.2) has a level of significance below the 10 per cent level with p -value $p = 0.085$. The signal of the betas of DFTP, DITP and DTP is negative. In other words, the negative influence of the existence of formal transparency policy is statistically twice as significant as an informal policy in relation to practices of participation.

The existence of a board code of standards (DBS) in the SE-P1 did not have any significant explanatory power as to the level of participation. Hence, the regression test was repeated after removing the insignificant variable (DBS) from the formation, with the new model is called (SE-P2) being comparable to its counterpart (SE-2) (see Table 6.2). The results in SE-P2 resonate with those of SE-2. The proportion of the identified variance in both models is almost identical with 38.2 per cent for SE-P2 compared to 38.1 per cent for SE-2. As for the explanatory power of the remaining independent variables after removing (DBS) they remain relatively unchanged.

The existence of formal policies regarding participation and transparency offer a slightly better contribution to the explanation of the variance of dependent variables, when compared to the existence of informal policies. Removing the variables of informal policies regarding

transparency and engagement produced the new model, SE-P3 which has the following four independent variables: the extent of guidelines for participation (PPG), the extent of guidelines for transparency (TPG), the existence of formal policy regarding participation (DFEP) and the existence of formal transparency policy (DFTP) with SE remaining as the dependent variable. The model SE-P3 shows that the explanatory power of the existence of formal policies regarding participation and transparency has decreased dramatically. This indicates that the existence of informal policy regarding participation (DIEP) and the existence of informal policy regarding transparency (DITP) have explanatory power and should remain in the model, confirming the effectiveness of the sub-model SE-P2.

The transparency model (TR)

The dependent variable of transparency has three alternative sub-models (P1, P2 and P3). The first sub-model (TR-P1) has the same seven independent variables as in the participation model in the previous section. 37.4 per cent of the variance in the transparency model (TR-P1) was explained by the seven independent variables which is slightly higher than the 36.4 per cent in the previous regression test (TR1) (see Table 6.2). As for the explanatory power of the extent of guidelines for participation (PPG), the extent of guidelines for transparency (TPG), and the board code of standards (DBS), they are almost the same with no substantial differences. Board code of standards, DBS, is the least significant variable with $p\text{-value } p > 0.500$ in both models indicating no contribution to the level of transparency.

The existence of formal participation policy (DFEP) and the existence of informal participation policy (DIEP) have a sizeable positive contribution in explaining transparency model (TR-P1) with no difference from the former regression result in TR-1 (Table 6.2).

The regression test was repeated after removing the insignificant variable of board code of standards (DBS) from the formation, with the new model called (TR-P2) which will be compared to its counterpart (TR-2) (Table 6.2). The new model of TR-P2 has slightly more variance explained 37.3% per cent than the former TR-2 model 36.4 per cent (Table 6.2). Both variables, the existence of formal and informal policies regarding participation, make similar contributions to the level of transparency (TR-P2). Also the result shows no significant differences between formal transparency policy and informal transparency policy in terms of their contributions to the level of transparency in voluntary organisations. They are both negative. Given these similar contribution to the variance in the TR-P2 model, I decided not to do further regression tests on the model.

The thick accountability model (TA)

The seven independent variables identified above explained 52.4 per cent of the variance in the thick accountability model (TA); compared to 52 per cent in the former regression test (see Table 6.2). Results were thus very similar to each other. As for the extent of guidelines and board code of standards (PPG, TPG and DBS), they all have no substantial differences to their previous results in the earlier regression, with DBS is the least significant variable in both regression tests. As in the earlier regression, the existence of formal and informal policies regarding participation and transparency each made a significant contribution to explaining the variance in the TA-P1 model however, the existence of transparency formal and informal policies had a negative but significant impact on the thick model TA-P1. There were no discrepancies in the results between formal and informal policies. The regression test was repeated after removing the insignificant variable of board code of standards (DBS); the new model called (TA-P2) compares to its counterpart (TA-2) in Table 6.2. The formal and

informal versions of transparency and engagement policies highly contribute to the variance in the 'thick' accountability model (TA) and there is no need for removing any of the variables in TA-P2 (see Table 6.4).

Formal and informal versions of the existence of participation policy have similar explanation power on the three dependent variables. The explanatory power of the existence of formal transparency policy has more significant against the SE model than the existence of an informal policy. However, both formal and informal policies have a similar influence on the other two models of transparency (TR) and thick accountability (TA). Overall, however, this round of regressions confirms the general importance of guidelines over policies in explaining practices of accountability.

Against this background, Figures (6.1) and (6.2) thus provide a further analytical insight regarding the association between the existence of policy and the extent of guidelines in both participation (PPG) and transparency (TPG) models. ⁹DEP, DTP = 1 indicates the existence of policy on participation or on transparency and DEP, DTP = 0 indicate there absence of a policy. The proportion of voluntary organisations in the sample with transparency policy was 217(88 per cent) whilst 190 (77 per cent) voluntary organisations had a participation policy in place. As for voluntary organisations without policy, 12 per cent were without a transparency policy and 23 per cent without a participation policy. At the same time, there were some voluntary organisations that had a participation policy in place but they had not established guidelines for implementing the participation policy they had in place. The rest of the

⁹ DEP = existence of participation policy, DTP = existence of transparency policy

voluntary organisations respondents' scores have fluctuated between low to high on the participation's guidelines scale. This suggests that the desired aim of having a participation policy in place could become irrelevant if the organisation does not support it with guidelines.

As for voluntary organisation respondents who have got a transparency policy in place, Figure 6.2 shows that there was a sizeable proportion of them that did not have any guidelines regarding the transparency policy which was supposed to be in place. Some of the respondents who had a transparency policy scored low to moderate on the transparency's guideline scale. This identifies some disconnection between practice and policy, confirming the negative impact of transparency policies. In general respondents who had a policy and those without a policy had roughly similar performances. Some voluntary organisations without a policy in place have followed low to moderate level of guidelines and just few of them have high scores on both participation and transparency guidelines scales.

Table 6.6: The relationship between dependent and independent variables

	SE		TR	
	Formal Policy	Informal policy	Formal Policy	Informal policy
SE	~	~	→	~
TR	↗	↗	↘	↘
TA	↗	↗	↘	↘
(-) = no impact, (upward arrow) = positive impact, (downward arrow) = negative impact.				

Figure 6.1: PPG density

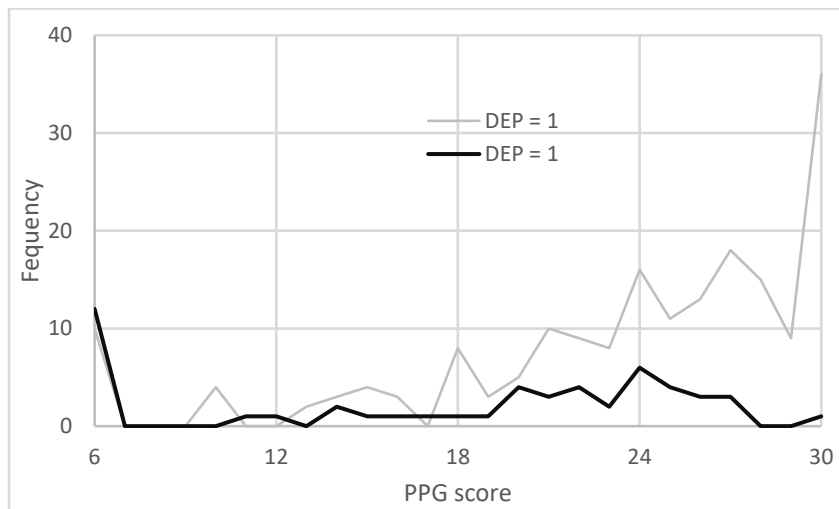
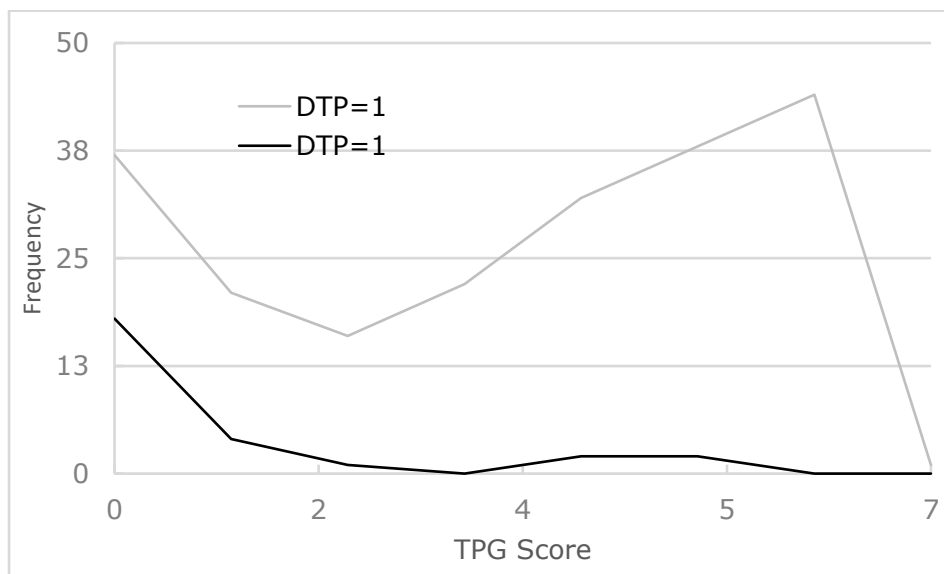


Figure 6.2: TPG density



6.6 CONCLUSIONS

In this chapter I reported on a series of regression analyses which I ran to investigate the explanatory capacity of policies and board code of standards on the practices of transparency

and engagement. These tests, made it possible to evaluate the explanatory capacity of the new combined model of interactive accountability. Board codes of standards had little explanatory impact. I have tested the impact of the existence of policies on outcomes by making the distinction between policies and guidelines. This distinction is based on an assumption that if policies are designed for the purpose of improving the implementation of the activity through a set of rules and procedures, the existence of a policy does not necessarily mean that the rules and procedures are in place. I wanted to pursue the issue of a tick box culture that questions whether, if an organisation has set up a policy regarding an activity then does this mean that the organisation has in place and follows a set of procedures and guidelines to implement this policy. Therefore, this thesis has asked two set of questions one concerning the existence of a transparency and participation policy and another regarding the procedures and guidelines of the transparency and participation practices.

Turning to engagement policies, the data shows a strong association between the extent of procedures and guidelines for implementing stakeholder engagement process by voluntary organisations in the sample, and the levels of stakeholder engagement that they have (model SE-2 table 6.2). The findings revealed that there was no significant association between a voluntary organisation having a policy on stakeholder engagement (declaring the existence of an engagement policy), and the level of stakeholder engagement (see table 6.2 SE-2). In theory it might be expected that these two variables, the extent of guidelines and the existence of policy, would be connected. The existence of policy might be thought to reflect positively on the extent of guidelines, and so on the level of engagement stakeholders have with a voluntary organisation. The data however suggests otherwise. Correlation analysis (Table 6.1) confirms that there is a only weak correlation (i) between the level of stakeholder engagement (SE) and the existence of policy on engagement and also (ii) between the extent

of guidelines on engagement and the existence of engagement policy. Since the existence of a policy does not influence the level of engagement nor the extent of engagement guidelines, this suggests that in practice the issue of engagement policy and guidelines is more complex. One interpretation is that voluntary organisations might adopt a policy of engagement for reasons other than increasing the level of genuine and effective engagement process. These reasons might include for example, meeting a certain contractual requirement or expectation ‘tick the box’ on funding requirements, improving image, publicity, legitimacy.

As for transparency policies, the findings were arguably more ambiguous. On the one hand, the existence of procedures and guidelines of transparency policy impacted positively upon the level of transparency that organisational respondents have (see table 6.2 TR-2). On the other hand however, there was a negative association between the existence of a transparency policy and the level of transparency. In other words, the existence of a transparency policy made transparency worse. The relationship between policy and guidelines was negative such that in practice the existence of a transparency policy impacts negatively and reduces the level of transparency.

In order to explain this result I conducted further analysis on policies. First, I divided responses on the existence of policies into formal written policies and informal unwritten policies. I then re-ran the regressions for all the models to find out if this distinction could explain the absence of, or negative, relationship between the existence of policy and the level of the practice. The findings (Table 6.5) gave relatively similar results to the previous ones with no significant differences between the results of whether policy was formal or informal. However, I decided to test the density of guidelines to policy existence (see Figures 6.1 and

6.2). This time the findings showed that some respondents have in reality practiced transparency without having a policy on transparency and some had a transparency policy but they did not practice transparency effectively through implementing guidelines regarding transparency to a high level (see Figure 6.2 TPG density). This further analysis has confirmed the regression result which suggests that the existence of transparency policy does not necessarily mean that transparency guidelines are effectively in operation.

The interaction between participation and transparency and how they influence each other may offer one further element to the analysis. By looking at SE-2 and TR-2 (see Table 6.2), the findings suggest that policies across transparency and engagement might partially explain each other's models. Hence, I repeated the regression tests for each model after eliminating policies related to the other model to find out the net influence of policies on each other's model. I found that although policies and guidelines of both stakeholder engagement and transparency appear to have some significant influence on the level of transparency, the findings revealed a clear domination for the existence of engagement policy (DEP) and the extent of guidelines for engagement (PPG) over the existence of transparency policy (DTP) and the extent of guidelines for transparency (TPG). Paradoxically, extent of guidelines and existence of policies regarding engagement matters more in determining levels of transparency than transparency extent of guidelines and existence of policies.

This explanatory power of engagement policies and guidelines (PPG and DEP) in accounting for the level of transparency by more than half of the variance could provide another explanation for the negative influence of the existence of transparency policy on the level of transparency. One suggestion is that in practice voluntary organisations might have confused participation with transparency. Another explanation is that there may be a lack of

understanding about transparency among voluntary organisations. The transparency model (table 6.2 TR-3) shows that when engagement policies and guidelines variables (PPG and DEP) were removed from the model, the negative influence of the existence of policy on the level of transparency disappeared. However, on the other hand when we look at the influence of engagement guidelines the results revealed that participation guidelines managed to explain most of the variance in the level of engagement, much more than the existence of participation policy (see table 6.2 SE-3). These findings suggest that in practice the issue of participation and transparency is far more complex than one might think. A voluntary organisation might chose to have a policy on transparency and participation for different reasons so that having a policy in place will not definitely will improve the level of transparency and participation. It all depends on the intention of the voluntary organisation or on its knowledge about providing these activities to their stakeholders.

In addition, the regression analysis also confirmed that there was no significant association between a voluntary organisation that has a board code of standards (code of governance), and its level of engagement with stakeholders (SE-1 table 6.2). Similarly, codes of governance had no impact on the level of transparency (TR-1 table 6.2). These findings confirm and add to the results of other bodies of research that have attributed little influence or significance to codes of governance. Notably Bradshaw, Murray and Wolpin (1992) who investigated the influence of codes of governance on voluntary organisations' effectiveness found that there was no relationship between the code of governance and an organisation's effectiveness (Bradshaw, Murray and Wolpin, 1992).

Finally, this chapter has tested the effectiveness of the thick model of accountability: the thick model of accountability which has combined both the level of transparency and engagement. I tested the effectiveness of the model by repeating the regression analysis by

using the same independent variables that I used in the other models. The findings show that the existence of policy and the extent of guidelines of engagement and transparency all have a statistically significant influence on the new model of accountability. The regression has clearly revealed that the association between transparency and participation added explanatory significance to the model of thick accountability. Combining transparency and engagement were statistically proven to better explain accountability in the voluntary sector. Policies and guidelines of engagement and of transparency have both explained about 52 per cent of the variance in the thick accountability model (see table 6.2 TA-2). This was a huge improvement by comparison to what transparency and engagement managed to achieve separately. This result suggests that engagement and transparency each explain only one facet of accountability and that the thick model of accountability (the TA model) is a more comprehensive measure for voluntary organisations accountability.

Having reported on the analysis of the survey over this chapter and the other previous two chapters I now turn to the conclusion in which I will be discussing the findings and its implications on policies and practice and also will provide suggestions for further research

CHAPTER SEVEN

CONCLUSIONS

This thesis set out to address the absence of a systematic study into the practices of accountability across voluntary and community organisations. It established three research questions to investigate how accountability across voluntary organisations could be best understood and modelled, and to capture what factors or variables best explained practices of accountability across the sector. More specifically, the thesis aimed to fulfil two primary objectives. The first was to develop and test a new model for evaluating accountability in the voluntary and community sector which combines transparency and participation together in order to better grasp the complex practices of accountability. The second was to gain an overarching picture as to the state of accountability across the voluntary and community sector in England and Wales before austerity. Much has been made of the accountable and citizen-focussed services of voluntary organisations. It is often taken for granted that voluntary organisations are closer to service-users, making the most of their supposed competitive advantage over public and private organisations to deliver user-led and flexible services. However, there remains little agreement as to what constitutes accountability across the voluntary sector, or how to conceptualise the practices of accountability in such a way as to be able to measure their effectiveness and draw lessons for policy and practices.

Addressing such lacuna, the thesis constructed an innovative model for evaluating accountability in the decision-making process of voluntary organisations in England and Wales. As such, it responds to the calls of recent studies that identify a lack of consensus over the meaning of accountability, as well as the absence of systematic empirical research on the

practices of accountability, particularly the testing of relationship between transparency and participation (Brandsma ,2013; Boven,2010;, Willems and Van Drooon, 2012; Ebrahim 2010; and Brandsma and Schillemans,2012). Therefore, the ‘thick’ interactive model of accountability developed in this thesis supplements the deficiencies of narrow uni-dimensional models, which privilege either stakeholder engagement or transparency in isolation from one another. In contrast, the model developed here seeks to account for both practices of stakeholder engagement and of transparency, as well as the interactions between these elements, in order to bring together a composite assessment of accountability. These interactions, it was suggested, could not be taken for granted or deemed to be necessarily positive. Rather, it was assumed that the interactions between engagement and transparency would be contingent and messy, with unexpected outcomes, both negative and positive.

With this in mind, this concluding chapter reports on the empirical findings drawn from the application of the ‘thick’ interactive model of accountability to a sample of voluntary organisations in England and Wales, critically assessing the lessons for policy and practice, as well as the systematic mapping and conceptualisation of practices of accountability. It begins with a brief confirmation of the validity of the sample of respondents engaged in the study before examining the lessons from the survey data in terms of the baseline of practices before austerity, and the impact of organisational and policies on practices of accountability. It then turns to a discussion of the impact of the findings of the study for future research and policy and practice.

7.1 A BRIEF RECAP

Before setting out the contribution of the thesis to existing understandings of accountability practices within the voluntary sector, let us first confirm the validity of the research design that underpins the findings of the thesis. The findings are drawn from an online survey questionnaire that was administered to voluntary organisations in England and Wales.

Voluntary organisations vary in size and complexity, with such fragmentation often undermining attempts to draw out broad or general lessons and insights across the whole of the sector. The capacity to apply or generalise lessons from this particular study thus came to rest on the meeting of two main conditions: the construction of a targeted population to test the validity of the assumptions of the thick model of accountability; and the assembling of a representative, sizable sample that mirrors the targeted population (Fink, 2003). To meet these conditions, the study restricted the population to 15,699 organisations. A cross-sectional randomly selected sample of 2,714 organisations was subsequently drawn from the identified population. In total, 250 questionnaires were completed by this random sample and returned. The response rate for the survey was therefore over 9 per cent, which was satisfactory and within the average response rate of other online surveys.

Importantly, the distribution of the respondents represented the range of types of charitable status as defined by the Charity Act 2006, as well as matching the distribution in other research studies (see Dhanani and Connolly, 2012; see also Chapter 3). The majority of organisation respondents were thus at least 15 years in existence with 10 or less workers and volunteers. Organisations were spread across a range of activities within the voluntary sector and drew their income from a variety of funders and combination of government contracts and grants, private donations, and trading activities. A code of governance was in place in

most organisations but 60 per cent of respondents were not affiliated to, or part of, an umbrella group of voluntary organisations. Over half of respondents had between five and nine board members whilst over a third had between 10 and 19. Typically, most boards had at least two subcommittees with executive and finance subcommittees. The data analysis revealed that there were two primary types of boards within voluntary organisations: strategic and managerial. Respondent organisations were more involved in strategic than in managerial roles.

The survey was designed to explore five areas: organisational characteristics; governance practices; policies and extent of formality procedures for participation and transparency; transparency practices; and stakeholder participation in the decision-making process within voluntary organisations. Chapter Four reported on the findings of the survey to give an initial picture of the practices of accountability across voluntary organisations at the time of the survey. Chapter Five subsequently undertook a series of cross-tabulations in order to investigate the relations between key organisational variables and the variation of practices across the sample of respondent voluntary organisations. In so doing, it tested the extent to which organisational characteristics, i.e affiliation, size, age, income and source of income, impacted upon levels of transparency and stakeholder engagement. Finally, Chapter Six used multiple regression analyses to examine the influence of policies and the extent of formality on the practices of transparency and participation, as well as testing the effectiveness of the accountability model. What did this multiple analysis reveal? What key lessons emerged from the study? It is to these questions that I now turn.

7.2 KEY LESSONS: PRE-AUSTERITY BASELINE AND PATCHY PRACTICES OF TRANSPARENCY AND ENGAGEMENT

As posited in the introduction to this thesis, the data generated by the survey carried out as part of this study offers valuable insights into the practices of accountability across the voluntary sector before the turn to austerity, notably by the Cameron government in 2010. The primary focus of the study was on explaining and modelling accountability, but it equally provides a valuable baseline against which to systematically measure existing practices after 30 per cent cuts to local government revenue support grants, as well as reductions in social and welfare benefits. I begin to examine this pre-austerity baseline of accountability practices by first setting out the main findings of the survey.

When measured in terms of the public availability of key elements of information on the work and internal processes of an organisation, the practices of transparency across voluntary organisations and the sector as a whole were patchy and inconsistent. The study has shown that the level of an organisation's involvement on one item of transparency did not necessarily match the level of its involvement on the other items. Voluntary organisations provided uneven information to stakeholders. The survey, as discussed in Chapter Three, asked organisations to comment for example on the availability of details and descriptions about activity and programmes, about its key staff, members of the governing board and the executive, as well as its impact on society, any codes, partnerships or coalitions to which the organisation is a signatory and how stakeholders can input into the different levels of decision-making. Public availability was deemed to be in place if information was available through an appropriate medium, be it website, annual report, bulletins, or annual review, etc. However, while for example 91 per cent of organisation respondents frequently provided

details and description about programmes to their stakeholders, 34 per cent seldom made information concerning codes of governance available to stakeholders (14 per cent never made such information available).

More strikingly, there was a clear lack of commitment among many voluntary organisations to transparency. Over half of the organisation respondents (53 per cent) did not have a formal transparency policy in place although I discuss below that paradoxically the absence of a policy on transparency might impact positively on outcomes. As for the substantive content or guidelines of transparency policy, the survey returns revealed that around a third of respondents who did have a transparency policy in place failed to communicate how its stakeholders could make an information request. 40 per cent of respondents had no timeframe for dealing with information requests and 6 per cent of respondents do not know whether or not there was a time limit in place. This picture of inconsistency in implementing transparency by the voluntary sector resonates with previous research on accountability undertaken by Blagescu and Lloyd (2006) into the transparency of international non-governmental organisations. This study reported a lack of commitment to practices of transparency, confirming that while there was an emerging recognition of the need for policies regarding transparency, very little was done towards putting a transparency policy in place. Although this survey engaged with voluntary organisations in England and Wales, organisational respondents demonstrated a similar lack of organisational focus on putting transparency practices in place. Even those organisations that had a transparency policy in place did not reflect such principles in practice so that in general there was a lack of transparency policy effectiveness.

Such findings are in keeping with the lessons of recent studies carried out since the advent of austerity politics in England and Wales following the election of the Cameron government in 2010. Hyndman and McConville (2016) found a lack of transparency in reporting of top 100 UK charities in the wake of austerity, both in terms of the extent and manner of disclosure. They also found, as I suggest earlier, that voluntary organisations focused their efforts mostly on meeting statutory requirements and meetings expectations of powerful donors, driven more by a desire to appear legitimate rather than by an aspiration to provide ethically-driven and transparency accounts of their efficiency. Such findings suggest that austerity has only accentuated the patchy nature of transparency practices identified in this thesis. Equally, as with the study of Hyndman and McConville (2016), the findings of this thesis show that transparency is a complex issue and it is far more comprehensive and continuous process rather than just information disclosure once a year in the annual report.

With this in mind, I now turn to the second dimension of the model of accountability tested in this thesis, which is that of stakeholder engagement in the decision-making process. The study revealed inconsistent practices of stakeholder engagement across voluntary sector organisations. Indeed, staff and employees were involved in the participation process more than any other stakeholder groups. Beneficiaries were repeatedly placed second in terms of their levels of involvement in the decision-making process. Notably, their involvement was in general to be more likely found on lower levels of participation where there is little or no influence on decisions.

In addition, there was also inconsistent involvement of beneficiaries across the three elements of participation. The participation dimension, consists of three interlinked elements (see Table 4.18): stage of engagement; level of influence on decisions awarded to stakeholders;

and the mechanism used to carry out the participation process. In order for the participation process to be meaningful, the involvement across the three parts has to be on the similar or matched level. Inconsistencies across stages of engagement, levels of influence and appropriate mechanisms, as revealed by the analysis of survey returns, thus provides potential further evidence to suggest that stakeholder engagement processes with beneficiaries were in some cases flawed and at best poor.

As for the existence of policy regarding participation, there was the same inconsistency among respondents as with transparency. Only 34 per cent of organisation respondents indicated that they had a formal written participation policy in place whilst almost two-thirds indicated that they relied on informal unwritten practices or no policy at all. In terms of the specific elements of such a policy, almost 20 per cent of respondents did not circulate information regarding engagement processes to stakeholders, whilst between 25 per cent and 30 per cent could not confirm whether their stakeholders were prevented from engagement due for example to physical access or that disadvantaged stakeholders were given specific support, and that confidentiality of stakeholders during engagement was guaranteed.

Overall, therefore, seen through the lens of the two dimensions of transparency and engagement, pre-austerity practices of accountability across the voluntary sector appeared somewhat patchy. In particular, there are less than half of voluntary organisations in the survey with formal transparency or participation policies in place, and the elements of what might be considered to constitute such policies in practice were not followed by between one-fifth and one-third of respondent organisations (depending on the element under discussion). This broad finding takes on significant relevance for the understanding of accountability practices because accountability is best viewed as a continuous and interlinked set of processes. Most importantly, it sheds doubt on recent studies that have advanced more

democratic or relational conceptualisations of accountability (see Unerman and Bennet, 2004 and Rinaldi, Unerman and Tilt, 2014). Indeed, the findings of this study suggest that inconsistent patterns of participation across different stages of decision-making hamper in practice the supposed organisational learning from the engagement with the multiple viewpoints of different actors. On the contrary, whilst not a sham, this study confirms the critical assessments of participation of recent studies (see for example the work of Ebrahim, 2010 and Dereli, 2011).

As argued above, genuine transparency should thus take organisations a step forward beyond more than just mere disclosure. Organisations should provide stakeholders with relevant information about their programmes and activities continuously and not just retrospectively. Providing stakeholders with information about future activities and plans can encourage them to positively be involved and contribute at least with their opinions to the success of these programmes and activities. But as this study confirms, information giving is one stage of the cycle of accountability, alongside that of discussion and the setting of consequences and sanctions (see Brandsma and Schillemans, 2012); evidence for these latter stages is equally patchy, with the findings on participation shedding doubt on the role of discussion over other stages of the accountability cycle (see the claims of Brandsma and Schillemans, 2012). Indeed, the findings of this study undermine assertions of accountability as virtue, with little evidence of responsiveness and transparency (see Bovens, 2010).

However, at this stage, the analysis has said little about how to account for this state of affairs and whether such practices vary according to the organisational characteristics, be it age, affiliation or sources of income. It is to the impact of such variables on patterns of transparency and stakeholder engagement that I now turn.

7.3 ORGANISATIONAL MATTERS

In recent years, we have witnessed significant changes to the organisation and composition of ‘the’ voluntary sector. ‘Big beasts’ or large voluntary sector organisations have come to dominate local voluntary sector networks across different service sectors, and organisations have come to increasingly rely on the delivery of service contracts and government funding. These changes have led to the generation of a number of potential hypotheses on the impact of organisational change on practices of accountability. In Chapter Five, I tested such hypothesis, investigating, the relational influence of transparency and participation against organisational capacity (affiliation, age, size, and sources of income). I tested four main hypotheses. First, I examined how far wider umbrella or affiliated groups possess more formal guidelines and central bureaucratic resources that impose upon member organisations standard practices of accountability in terms of transparency and participation. Second, I analysed whether mature organisations might have an advantage over younger organisations in building up the expertise over time to undertake practices of transparency and participation. Third, I assessed the extent to which organisations with higher annual income might have a strategic advantage over organisations with smaller income in terms of the availability of resources for investing in the undertaking of transparency and participation practices. Finally, I examined sources of income to explore whether organisations relying heavily on one source of income (particularly income from government) might be more likely to be complying with certain standards and practices of accountability in terms of transparency and participation.

Strikingly, the analytical findings in relation to transparency have revealed that there was no identifiable trend in the relationship between organisational affiliation, age, and size and transparency practices. The influence of these three organisational variables on transparency practices was not significant. Hence, the hypothesised relationships were not proven by the cross-tabulation analysis. However, the same cannot be assumed for the fourth variable, sources of income, and its influence on transparency practices. The analysis revealed that organisations with higher reliance on government grants and funding tended to have a higher level of transparency. In other words, reliance on government funding did appear to have a positive influence on how voluntary organisations engaged with the different practices of transparency. In marked contrast, as organisations became more reliant on trading activities, this appeared to have a negative impact on how they engaged with the practices of transparency identified in the survey.

In terms of practices of participation, organisational characteristics had a more mixed influence on outcomes. In the first instance, the survey revealed that affiliation matters; affiliated respondents out performed unaffiliated ones on the three dimensions of participation. However, such assertions require clarification. The impact of affiliation was weak on the first dimension, that of the stage of engagement. It was strong on the other two dimensions; the level of influence attributed to stakeholders and the engagement mechanism deployed to carry out the engagement process. Unaffiliated respondents' level of performance across the three dimensions was highly inconsistent whereas affiliated respondents demonstrated more consistent performance especially on the first two dimensions of participation.

Second, taking into account the different elements of participation, age did not impact on the stage of engagement and the level of influence, but it did have a positive influence on the engagement mechanism deployed. 63 per cent of respondent organisations in the age category of 50 years or more thus used the highest engagement mechanism. Thirdly, and in relation to annual income, organisations with an annual income between £500,000 and £1million reported combined stakeholder engagement practices at the most influential levels across the three dimensions (stage of engagement, decision-making or mechanism).

Organisations within this income category had the most consistent performance across the three dimensions of participation. Respondents within this income category had similar levels of performance on the stage of engagement and the level of influence.

Finally, the analysis of survey returns revealed that organisations that attracted 25 to 50 per cent of their income from government, reported the highest influence of stakeholder engagement and their performance was consistent across the three dimensions of engagement. However, in contrast to practices of transparency, and broadly speaking, sources of income, whether governmental, private or trading, did not appear to have any consistent impact on the three dimensions of participation.

Notably, however, the analysis of survey returns revealed a disjuncture across organisations between the stage of engagement at which they worked with stakeholders, the level of influence attributed to stakeholders and the engagement mechanism deployed; and this was the case for affiliation, age and annual income. Looking at the third dimension of engagement mechanism suggests that organisations were less keen to use the highest level of mechanisms compared to the stage of engagement and the level of influence; this was the case regardless of age, affiliation and income. This disjuncture may well contribute to critical accounts of the limits of stakeholder engagement within voluntary organisations, as well as surfacing new

policy challenges for government; an issue to which I return when I discuss the implications of the findings later in this chapter.

In conclusion, this analysis of organisational variables begins to shed light on the complex interactions between practices of engagement and transparency. Organisational characteristics have differential impacts on practices of accountability, whether engagement practices or transparency are under consideration. Affiliation might impact on participation practices but it does not impact on levels of transparency. Government income and trading have an impact on transparency but less so on levels of engagement across the three dimensions.

In short, organisational characteristics do not appear to present with an organisational fix to improve accountability (see below). But, under the politics of austerity governance, the impact of organisational variables may arguably have heightened. Considine, O'Sullivan and Nguyen (2014) argue that increased income from contractualisation and trading will encourage organisations to adopt more business-like models of behavior. Against the background of the findings of this study, increased trading and contractualisation under austerity has likely to have further impacted on patterns of reporting in order to maintain legitimacy and income from contracts, the selection and paying of new board members, as well as the potential for mission drift and loss of local forms of legitimacy in the eyes of stakeholders and local community. Of course, such claims require further testing, but with such arguments in mind, I now turn however to the third and final part of the data analysis presented in Chapter Six which examined the impact of policy on the levels of accountability across voluntary organisations.

7.4 POLICY MATTERS

Throughout the study, emergent findings repeatedly pointed to the analytical distinction between policy and practice, and the limits of the existence of a policy to deliver improved accountability. Organisational respondents in their survey returns signposted the potential limits of formal policies, as well as the unspoken or embedded set of guideline practices that might constitute an everyday policy across the organisation. Exploring such emergent questions, I conducted a series of regression tests to investigate the explanatory capacity of policies and codes of governance on the practices of transparency and engagement. These tests, made it possible to evaluate the explanatory capacity of the new combined model of interactive accountability.

More specifically, I tested the impact of the existence of policies on outcomes by making the distinction between policies as a statement of intent and guidelines as a set of practices to navigate the implementation of policies. This distinction is based on an assumption that if policies are designed for the purpose of improving the implementation of the activity through a set of rules and procedures, the existence of a policy does not necessarily mean that the rules and procedures are in place. However, in theory it might be expected that the extent of procedures and the existence of policy would be connected and so that both would contribute to a better level of practice. Therefore, I tested the hypothesis for this relationship, questioning whether the existence of policies and the extent of guideline procedures of participation and transparency positively influence the level of participation and transparency. This analysis took on particular importance in terms of the interpretation of the

initial findings of the survey, which risked taking as given that the existence or not of a policy was a positive or negative characteristic of practices of transparency and engagement.

Interestingly, the regression analysis produced a marked contrast, depending on whether participation or transparency were taken into account, and indeed whether the complex interactions between these two dimensions were being investigated. The extent that guidelines for participation policy were in place proved to be associated with higher levels of participation. However, simply declaring the existence of a participation policy by respondent organisations did not lead to a significant association with, or rather explain, levels of participation (see Table 6.2). The existence of policy might be thought to reflect positively on the extent of guidelines and procedures, and so on the level of engagement stakeholders have in the decision-making processes of a voluntary organisation. The data however suggests otherwise. There was only a weak explanatory relationship between the level of participation and the existence of participation policy and between the extent of procedures on participation and the existence of participation policy (see Table 6.1). Since the existence of a participation policy does not influence the level of participation nor the extent of participation procedures, this suggests that in practice the issue of participation policy and procedures is more complex. One interpretation is that voluntary organisations might adopt a policy of participation for reasons other than increasing the effectiveness of participation process. These reasons might include for example, meeting a certain contractual requirement or expectation ‘tick the box’ on funding requirements, improving image, publicity, legitimacy, et cetera.

As for transparency policies, the findings were arguably more ambiguous. On the one hand, the existence of guidelines and procedures of transparency policy impacted positively upon

the level of transparency that organisational respondents have in place (see Table 6.2). On the other hand however, there was a negative association between the existence of a transparency policy and the level of transparency. In other words, the existence of a transparency policy made transparency worse and reduced the level of transparency. Against this background, I conducted further analyses in Chapter Six to test whether distinguishing between the existences of formal written or informal unwritten policies can lead to different results. However, results were relatively similar (see Table 6.5). There were no significant differences between the results of whether policy was formal or informal. Further analysis tested the density of procedures in relation to the existence or not of a policy for transparency (see Figures 6.1 and 6.2). Here the analysis of findings showed that some organisational respondents have practiced transparency without having a policy on transparency whereas others had a transparency policy but they did not practice transparency effectively through implementation guidelines and procedures (see Figure 6.2). This further analysis confirmed the regression result, which suggested that the existence of transparency policy does not necessarily mean that transparency procedures and guidelines are effectively in operation.

Importantly In keeping with the interactive model of accountability, the interactions between participation and transparency and how they influence each other was also examined as part of the analysis of survey returns (see Chapter Six Table 6.2). This analysis concluded that the existence of policies and guideline procedures for both stakeholder engagement and transparency appear to have some significant influence on the level of transparency. But, the explanatory capacity of participation policies and guideline procedures clearly dominates that of transparency policies and guideline procedures. In other words, policies and guidelines for participation have more positive impacts on both levels of participation and levels of transparency. Paradoxically, therefore, participation policies and guidelines matter more in

determining levels of transparency than transparency policies and guidelines. Chapter Six suggested that the explanatory power of participation policies and guidelines in accounting for the level of transparency by more than half of the variance could provide another explanation for the negative influence of the existence of transparency policy on the level of transparency.

What we can imply from this analysis is that in practice voluntary organisations might have confused participation with transparency as the findings show that the existence of policy on participation has contributed to higher level of transparency. In other words, if an organisation wants to increase its level of transparency it adopts a participation policy.

Another possible explanation is that there may be a lack of understanding to the term of transparency among voluntary organisations and how it should be implemented. Equally, transparency policies have an element of information that crossover into, and might support, stakeholder participation practices. Typically, these complex interactions between transparency and participation policies and guidelines are explained by a combination of all these factors. The main and most important conclusion from the analysis was that both transparency and participation were interlinked and that any attempts to increase accountability in voluntary organisations would be less productive if it chose to apply one of these two elements without considering the other.

But, this is not to dismiss the relative insignificance of the existence of policies in explaining outcomes. When we take into account the influence of engagement guidelines and procedures on the level of engagement, the results revealed that engagement guidelines managed to explain most of the variance in the level of engagement; much more than the existence of engagement policy (see Table 6.2). There was a weak relationship between existence of participation policy and the level of participation, while the extent of guideline procedures for

both transparency and participation made a statistically significant contribution to the level of both of these independent variables. Having a transparency policy could negatively impact on the level of transparency practiced by the voluntary organisation. Having a participation policy in place proved to have a neutral impact on the level of participation, but a positive influence on the levels of transparency within a voluntary organisation.

Finally, the study also put to the test the effectiveness of the thick model of accountability. This interactive model of accountability combines both the level of transparency and participation in one composite model that draws out the interactions between these two elements. The model was tested by repeating the regression analysis by using the same independent variables of policies that I used in the other models. The findings show that the existence of policy and the extent of guideline procedures for participation and transparency all have a statistically significant influence on the new model of accountability. Most importantly, the analysis of findings clearly showed that the association between transparency and participation added explanatory significance to the model of thick accountability. Combining transparency and engagement as proxies for accountability explained approximately 52 per cent of the variance in the accountability model (see Table 6.2). This result suggests that engagement and transparency each explain only one facet of accountability and that the thick model of accountability (the TA model) is a more comprehensive measure for voluntary sector accountability.

In conclusion, this study provides a pre-austerity picture on how voluntary organisations were practicing transparency and participation. Most importantly, it brings to the fore how in practice the issues of engagement and transparency, core elements of accountability, are far more complex than one might think. There is no straightforward answer on how voluntary

organisations increase their levels of transparency and participation. Policies and guidelines interact in somewhat unexpected ways. Charity commissions, government policy makers, local authorities, voluntary organisations and the public must take further into consideration that mere existence of policies is not necessarily a relevant indicator for better accountability practices (transparency and participation); in the case of transparency, policies might even lower levels of transparency. It appears that a voluntary organisation might chose to have a policy on transparency and participation for many different reasons so that having a policy in place does not guarantee to improve the level of transparency and participation. In many ways, much depends on the intention of the voluntary organisations, its leadership and its knowledge and experience in providing these activities and practices to their stakeholders. Now I will be turn to discuss the implications of the findings for practice and for future research.

7.5 IMPLICATIONS FOR POLICY AND PRACTICE

The starting point for this thesis was the argument that our understanding of accountability practices in voluntary and community organisations rely on a set of untested myths. There is an established conventional understanding in the literature that transparency is the key to good governance (Hood, 2007), and that voluntary sector organisations had some strategic advantage over other organisations in their capacity to develop the trust of clients and to identify ad respond to their needs (see Wallace and Chapman, 2003). Much of this strategic advantage has traditionally been tied to the autonomy of the sector, and the belief that this autonomy drives forward the efficiency of voluntary organisations in delivering services to those who need them (Slim, 2002 and Zadek, 2003). Within this established and traditional

narrative, scrutinising the voluntary sector accountability especially by government might be a sensitive issue, viewed by voluntary organisations and others as an attempt to undermine the good work of the voluntary sector.

Many of the elements of this established and traditional narrative remain outside the confines of this study. However, four potential lessons for policymakers and leaders of voluntary organisations emerged from this study. These lessons call into question elements of the narrative of voluntary sector accountability and autonomy, not least the patchy practices of accountability before austerity that question assumptions about the privileged relationship between voluntary organisations and beneficiaries. Firstly, and more specifically, there is no straightforward organisational fix to practices of accountability, be it promoting larger or smaller voluntary organisations or encouraging support for older or affiliated organisations. Organisational fixes neither managed to influence levels of transparency nor levels of participation. There were very small exceptions such as affiliation where it had some impact on the level of participation, whilst the size of an organisation in terms of its annual income had an impact on the level of transparency. But overall, unlike the existing literature on accountability which remains mostly prescriptive, the findings of the thesis have empirically proven that size age and affiliation did not have a significant impact on the two dimensions of accountability: transparency and participation.

Secondly, policymakers and leaders of voluntary organisations should be cautious of an over-reliance on trading activities. Sources of income in general whether it is government contracts or private sector donations did not have significant impacts on levels of participation or transparency (although organisations with significant income from government had a more consistent performance in both transparency and participation). However, the greater the

income generated from trading activities by a voluntary organisation the less commitment it showed towards both accountability dimensions of transparency and participation. One might suggest that because of public spending cuts, which have progressively hit frontline services and funding since the turn to austerity in 2010, voluntary organisations must be increasingly eager, and perhaps more than in the past, to increase their ability to generate income in order to survive and offset cuts to funding. In fact, there was a wide spread desire among organisations that board members should become more involved in fundraising activities. However, while a response to reduced funding, the findings of this study suggest that the turn to trading and commercialisation will have a negative impact on transparency.

Thirdly, voluntary organisations and central government should reconsider the recourse to policies as a regulatory tool. The findings have shown that the existence of participation policy did not influence the level of participation but it did positively influence the level of transparency. On the other hand, the existence of transparency policy had a negative impact on the level of transparency but it did not influence the level of participation. Though it is beyond the confines of this study to fully explain the mechanisms behind these differential outcomes, such findings do provoke questions about the design of regulatory regimes and the motivation behind the adoption of policies on accountability practices by voluntary organisations. Declaring the existence of certain policies might be translated into a competitive advantage over other organisations into the world of competitive funding and so organisations might be culturally motivated to declare having an accountability policy. But, having such policies might not deliver the desired outcomes for regulators.

Indeed, Understanding the influence of policies on transparency and participation practices in the voluntary sector is not straightforward. The findings of this study have only uncovered

the complexities surrounding these issues. Voluntary organisations need to take a look at policies – make sure that they are workable and reflecting a full system of processes and then audit their own practices accordingly – indeed this could be complicated, however, the findings on the other hand have shown that both transparency and participation are interlinked and correlated with each other. That may explain the positive influence of the existence of participation policy on the level of transparency. However, inconsistent practices may suggest that there is an element of weak understanding by organisations of both transparency and participation and how they can be implemented.

Finally, stakeholder participation in the decision-making process, as this study argues, is not just one element but three interconnecting elements. Organisation respondents tended to perform inconsistently across these elements, with negative impacts on participation and engagement. Voluntary organisations need to take a holistic evaluation to their participation policies. A new approach should evaluate how stages of engagement, levels of engagement and engagement mechanisms come together to provide a complete cycle of stakeholder participation in the decision-making process of voluntary organisations.

What does this imply for future research? The findings of this thesis provide a systematic study to accountability practices in the voluntary sector. Further research should follow two paths. First, the interactive model of accountability should be tested in other contexts. Future research should explore a cross-sectoral survey that applies the accountability model beyond the voluntary sector. This would enable researchers to undertake a comparative analysis of voluntary sector practices in relation to the private and public sectors and critically assess the influences of accountability practices across different sectors. At the same time, further analyses of the complex impacts of policy and guidelines, different sources of income, and

the interactions between transparency and stakeholder engagement, should submit the findings of this study to systematic testing and elaboration.

Second, the data was collected just before the financial crash in 2008. This study is unique in terms of providing an overarching picture to the state of accountability across the voluntary sector in England and Wales just before the financial crises. It provides a pre-austerity baseline picture about accountability practices of across the voluntary sector. Future research should re-run the survey, with this baseline in place, to investigate how austerity has impacted upon the commitment of organisations to accountability, and whether those expectations that accountability has declined due to funding pressures and changes to funding regimes are supported in practice. Indeed, this offers in itself a number of significant avenues of exploration. The collapse of government funding to support frontline services as part of the regime of austerity might have pushed voluntary organisations to become more involved in trading activities, with negative impacts on accountability practices. In contrast, the contracting out of public services to voluntary organisations by governments might have raised expectations and put pressure on voluntary organisations to provide a high level of accountability practices (in terms of transparency and participation). With the baseline evidence provided by this study, there is the possibility to run a time-sensitive analysis, re-running this survey to systematically test the impact of austerity over time on the daily reality of practices of accountability in voluntary organisations.

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Dear Chief executive / Manager,

Over the last decade, the issue of governance and accountability by nongovernmental organisations has become an increasingly important topic. It has also led to increased scrutiny by the Charity Commission as well as calls for greater regulation of the NGO sector as a whole. To help find out more about this important issue, your assistance in participating in a brief, confidential survey would be greatly appreciated. Please, follow the link to start the survey at <http://survey.dmu.ac.uk/NGOs>

I am a PhD candidate at De Montfort University conducting research on NGO registered charities with the Charity Commission in England and Wales. Your organisation has been carefully chosen, along with others, as providing a representative sample and perspective of the NGO community at large. My research has two objectives: firstly to learn about the governance practices that NGOs are using; secondly to shed some light on the commitment of NGOs to the principles and values of accountability.

The survey focuses specifically on five key areas of NGO operations:

1. Adherence to codes and standards.
2. Board roles and responsibilities.
3. Transparency and openness.
4. Stakeholder engagement in the decision making process.

The research observes the university's code of ethics on confidentiality. The completion of the online questionnaire would be greatly appreciated and will help to understand the issues involved. I would also be glad to share with you the outcome of this study upon its completion. You will also have the satisfaction of knowing that you have contributed your knowledge and opinions to a research project designed to help the Ngo community at large.

Thank you for your anticipated assistance and look forward to hearing from you soon.

Osama Al-Kayyali
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The summary will be sent to you via the internet.
Please provide your email address:

Email:

The Governance and the Accountability Practices of the NGOs in England and Wales

Your organisation's name (optional):

1. Please briefly indicate the primary nature or purpose of your organisation (i.e. culture and recreation, health, environment, social development, etc)

2. What is the type of your charity organisation?

- ☐ Limited company by guarantee
- ☐ Trust

3. Approximately how many years has your organisation been in existence?

4. What is the organisation's total income for the last financial year? £

And approximately what percentage is from the following sources of income:

Governmental sources %

Donations from private sources e.g. individuals and businesses %

Income from trading activities and fees %

Other sources of income e.g. rent, investment and general %

5. How many staff and volunteers does your organisation currently have?

Full-time staff

Part-time staff

Volunteers

6. How many individuals are on the organisation's board?

7. Is your organisation a member of a wider network / group (e.g. charity affiliated within an umbrella group)?

- ☐ Yes
☐ No

If yes, please give the name of the network and how long your organisation has been a member?

8. What type of board standards (code of best practice, accreditation programmes) does your organisation adhere to? Please tick as appropriate.

- ☐ Sector wide standards
☐ Industry standards
☐ Government-associated standards
☐ Internally developed standards
☐ None
☐ Other standards (please specify below)

Other standards

How long have the standards been adopted by the board?

9. What are the reasons (motivations or pressures) for adhering to board standards (code of best practice) in your organisation? Please tick as appropriate.

- ☐ Desire to achieve excellence
☐ Desire to ensure transparency

- ☐ Board monitoring
- ☐ Reputation and public image
- ☐ Government funder demands
- ☐ Required to operate in field
- ☐ Other funder demands
- ☐ Beneficiary (Client) / customer demands
- ☐ Media attention
- ☐ Other influences (please specify below)

Other influences

	<input type="button" value="▲"/> <input type="button" value="▼"/> <input type="button" value="↕"/>
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10. What are the (anticipating) consequences of adhering to board code of standards for your organisation? Please tick as appropriate.

- ☐ Improved staff knowledge
- ☐ Improved board knowledge
- ☐ Improved accountability
- ☐ Improved governance
- ☐ Improved transparency
- ☐ Improved staff attention to mission
- ☐ Improved ability to meet goals
- ☐ Improved reputation
- ☐ Improved staff morale
- ☐ Improved staff / board ethics
- ☐ Improved fundraising
- ☐ Improved board recruitment
- ☐ Other consequences (please specify below)

Other consequences

	<input type="button" value="▲"/> <input type="button" value="▼"/> <input type="button" value="↕"/>
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11. How do you rate the current level of board involvement in the following functions?

1 = Not involved, 5 = Highly involved

1. Setting organisational missions / goals	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
2. Setting executive's compensation	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
3. Establishing / reviewing budgets and financial objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
4. Setting organisational objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
5. Reviewing auditing and accounting policies and practices	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
6. Approving significant financial transactions	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
7. Fundraising efforts	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
8. Advocacy activities	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
9. Setting programme objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
10. Setting basic management policies	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
11. Setting programme performance measures	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
12. Setting staff compensation	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5

12. Do you consider the current level of board involvement is satisfactory? And do you think more board involvement is needed?

Satisfaction level: 1 = Low, 5 = High

	Satisfaction level					More board effort is needed								
1. Setting organisational missions / goals	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
2. Setting executive's compensation	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
3. Establishing / reviewing budgets and financial objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
4. Setting organisational objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
5. Reviewing auditing and accounting policies and practices	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
6. Approving significant financial transactions	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
7. Fundraising efforts	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
8. Advocacy activities	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No

9. Setting programme objectives	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
10. Setting basic management policies	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
11. Setting programme performance measures	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No
12. Setting staff compensation	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5	<input type="radio"/>	Yes	<input type="radio"/>	No

13. What type of committees does the organisation's board have? Please tick as appropriate.

- ☐ Executive Committee
- ☐ Finance Committee
- ☐ Fund Raising Committee
- ☐ Nominating Committee
- ☐ None
- ☐ Personnel Committee
- ☐ Programme Committee
- ☐ Other committee (please specify below)

Other committees

14. Would you please rate the following stakeholders in terms of their level of importance to the organisation?

1 = Not important, 5 = Extremely important

1. A professional, trade, or similar body of which organisation is a member	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
2. Bankers or other lenders	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
3. Beneficiaries (Clients)	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
4. Customers	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
5. Donors	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
6. Government	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
7. Local businesses	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
8. Peer organisations	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5

9. Staff	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
10. The Charity Commission	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
11. The general public	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
12. The Inland Revenue	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5
13. The local community	<input type="radio"/>	1	<input type="radio"/>	2	<input type="radio"/>	3	<input type="radio"/>	4	<input type="radio"/>	5

15. Does the organisation have developed guidelines / policies which highlight the following areas?

		Yes	No
1. Organisation's openness about activities, providing information on what it is doing, where and how this takes place, and how it is performing.	<input type="radio"/> (Formal) Written policy	<input type="radio"/> (Informal) Unwritten policy	<input type="radio"/> No policy
2. The role of stakeholder engagement and participatory processes in decision-making.	<input type="radio"/> (Formal) Written policy	<input type="radio"/> (Informal) Unwritten policy	<input type="radio"/> No policy

16. If any answer in question 15 is No, please explain the absence of such mechanism(s)? Please tick as appropriate.

- ☐ We do not perceive one or both of the activities mentioned above as important to our organisation.
- ☐ We do not have enough resources (time, money and personnel) for implementing such activities.
- ☐ Our stakeholders have not demanded these activities from our organisation.
- ☐ We do not receive enough support (information, training) on these areas from charity commission.

Other reasons (please specify)

17. Does the organisation's policy on transparency highlight the following areas?

1. How to make an information request ☐ Yes ☐ No ☐ Don't know

2. Timeframes for dealing with information requests	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know
3. Details of how the response will be made	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know
4. Details of the rules governing decisions	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know
5. Costs of obtaining information (if any are incurring)	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know
6. What information it regards as confidential, and why (this might be related to third party confidentiality, commercial confidentiality, staff confidentiality)	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know

Others (please specify)

18. Does the organisation make the following information available to its stakeholders through a relevant medium e.g. (website, annual report, bulletins, annual review, etc)?

1 = Never, 5 = Frequently if not always

1. Details and descriptions about each activity and programme	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
2. A list of key staff, specifying their contact details and the scope of their responsibilities	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
3. Details about the organisations impact on society	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
4. Any codes, partnerships or coalitions to which the organisation is a signatory	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
5. Information on the governing board members and the executive	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
6. Openness on how stakeholders can input into the different levels of decision-making	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5

19. At which stage in the decision-making cycle is engagement sought with stakeholder groups? Please tick as appropriate.

1. Agenda setting

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐ Other groups

2. Project and / or policy design

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

3. Implementation

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

4. Monitoring

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

5. Evaluation

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

20. What level of influence does your stakeholder engagement process have? Please tick as appropriate.

1. Information sharing

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

2. Consultation

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

3. Participation in design of project or policy

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

4. Joint decision-making

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

5. Other

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

21. What mechanisms of engagement are used? Please tick as appropriate.

1. Public hearings

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

2. Advisory groups

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

3. Taskforces

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

4. Partnerships

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

5. Joint committees

☐ No engagement ☐ Beneficiaries (Clients) ☐ Donors ☐ Government ☐ Staff ☐
Other groups

22. Please provide your response to the following statements.

1 = Never, 5 = Frequently if not always

1. Information regarding the engagement processes are circulated to key stakeholders in appropriate forms and through appropriate media. ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

2. Information regarding engagement processes are made available to all stakeholders in appropriate forms and through appropriate media. ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

3. Contact details for a relevant person in the organisation are provided. ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

4. Key stakeholders are not prevented from participation processes due to lack of physical access, communication barriers (language or expert terms) or financial constraints.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

5. The confidentiality of stakeholders during an engagement process is guaranteed by the organisation where appropriate.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

6. Disadvantaged groups are given special support and encouragement when their engagement is appropriate.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

Submit

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Factor analysis and reliability test

1. The accountability framework of stakeholder engagement in the decision making process and transparency (dependent variables).

i) Stakeholder engagement SE:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.689
Approx. Chi-Square	178.210
Bartlett's Test of Sphericity df	3
Sig.	.000

Communalities

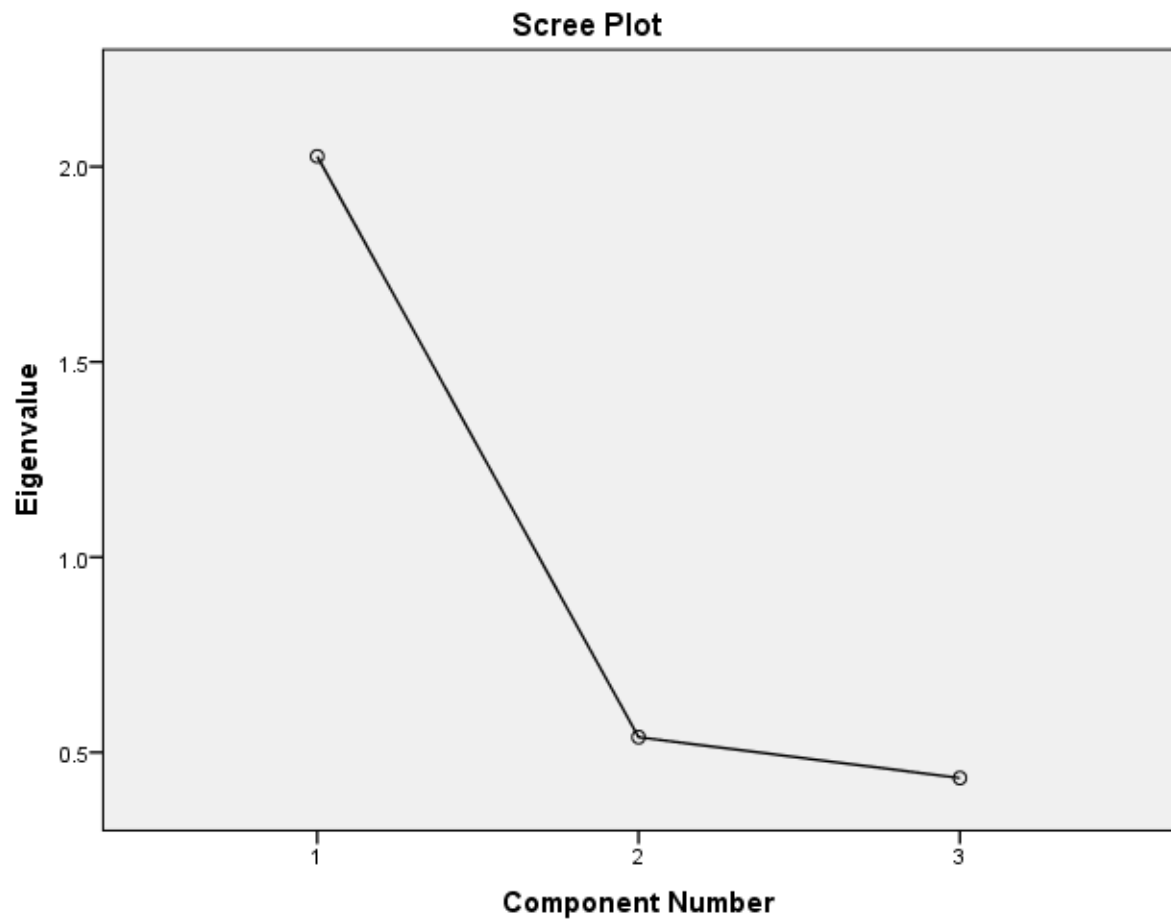
	Initial	Extraction
Q19 Stage of Engagement	1.000	.628
Q20 Level of Influence on decisions	1.000	.701
Q21 Engagement Mechanism	1.000	.698

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.026	67.547	67.547	2.026	67.547	67.547
2	.539	17.968	85.515			
3	.435	14.485	100.000			

Extraction Method: Principal Component Analysis.



Component Matrix^a

	Component
	1
Q20 Level of Influence on decisions	.837
Q21 Engagement Mechanism	.835
Q19 Stage of Engagement	.792

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table: ... Comparison of the Actual Eigenvalues with the Parallel analysis for stakeholder engagement (SE)

Component Number	Actual Eigenvalues from PCA	Criterion Value from Parallel analysis	Decision
1	2.026	1.1042	Accept
2	.539	1.0006	Reject
3	.435	0.8953	Reject

Stakeholder Engagement in the decision-making process (SE) scale		
Dimension	Scale items	Reliability
Stakeholder Engagement (SE)	1. Stage of engagement	.750
	2. Level of influence on decisions	
	3. Engagement mechanism	

ii) Transparency (TR):

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.841
Bartlett's Test of Sphericity	Approx. Chi-Square	371.856
	df	15
	Sig.	.000

Communalities

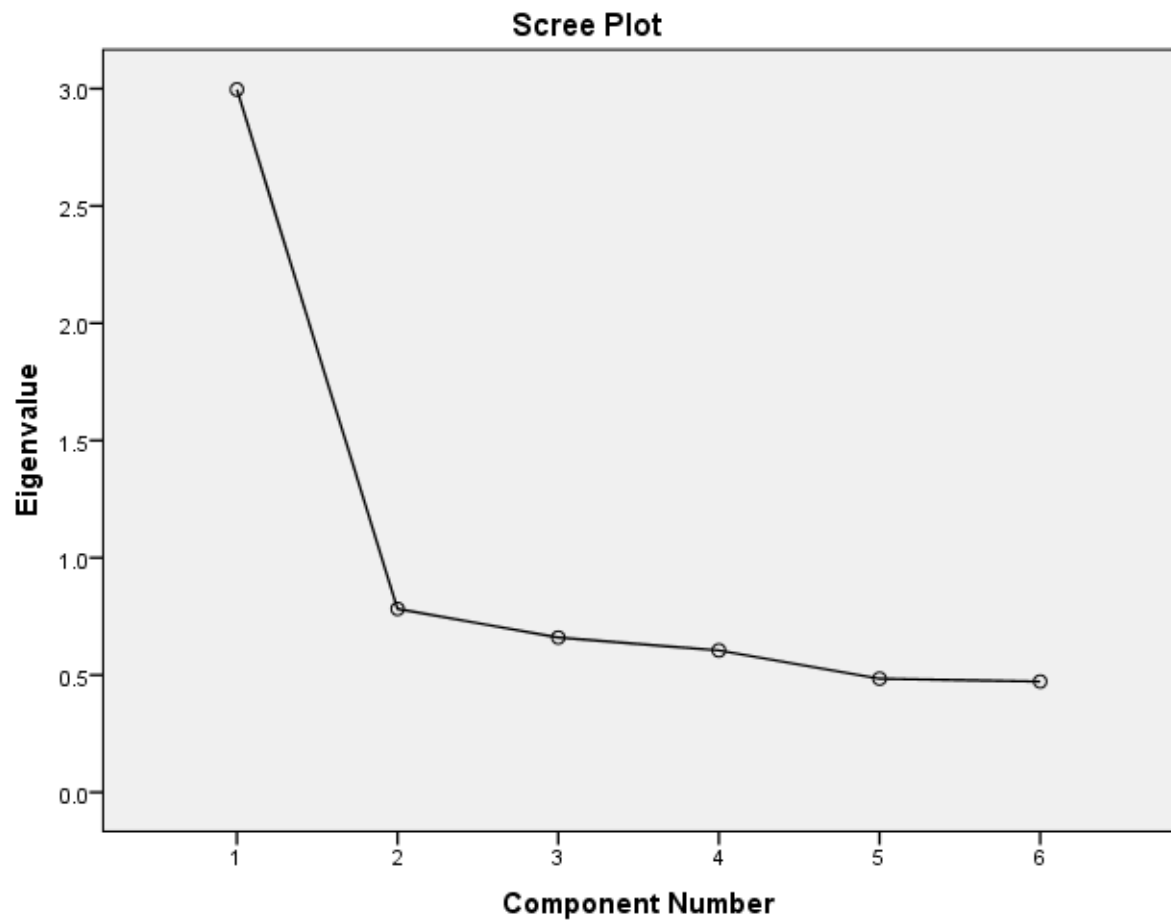
	Initial	Extraction
info made avlble to stkh (details about activities & prgr)	1.000	.420
info made avlble to stkh (staff contact details& respons	1.000	.454
info made avlble to stkh (NGO impact on society)	1.000	.529
info made avlble to stkh (any code partnership ect)	1.000	.517
info made avlble to stkh (board members& executive)	1.000	.514
info made avlble to stkh (Openness& stkh input)	1.000	.562

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.996	49.942	49.942	2.996	49.942	49.942
2	.782	13.035	62.977			
3	.660	10.999	73.976			
4	.605	10.082	84.058			
5	.484	8.070	92.128			
6	.472	7.872	100.000			

Extraction Method: Principal Component Analysis.



Component Matrix^a

	Component
	1
info made avlble to stkh (Openness& stkh input)	.750
info made avlble to stkh (NGO impact on society)	.727
info made avlble to stkh (any code partnership ect)	.719
info made avlble to stkh (board members& executive)	.717
info made avlble to stkh (staff contact details& respons	.674
info made avlble to stkh (details about activities &prgr)	.648

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table: ... Comparison of the Actual Eigenvalues with the Parallel Analysis for Transparency (TR)

Component	Actual Eigenvalues from PCA	Criterion Value from Parallel Analysis	Decision
1	2.996	1.2034	Accept
2	.782	1.1082	Reject
3	.660	1.0306	Reject
4	.605	0.9635	Reject
5	.484	0.8906	Reject
6	.472	0.8037	Reject

Extraction Method: Principal Component Analysis.

Transparency (TR) scale		
Dimension	Scale items	Reliability
Transparency (TR)	1. Details and descriptions about each activity and programme	.794
	2. A list of key staff, specifying their contact details and the scope of their responsibilities	
	3. Details about the organisations impact on society	
	4. Any codes, partnerships or coalitions to which the organisation is a signatory	
	5. Information on the governing board members and the executive	
	6. Openness on how stakeholders can input into the different levels of decision-making	

2. Formality

i) Stakeholder holder engagement guidelines (PPG)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	1038.036
	df	15
	Sig.	.000

Communalities

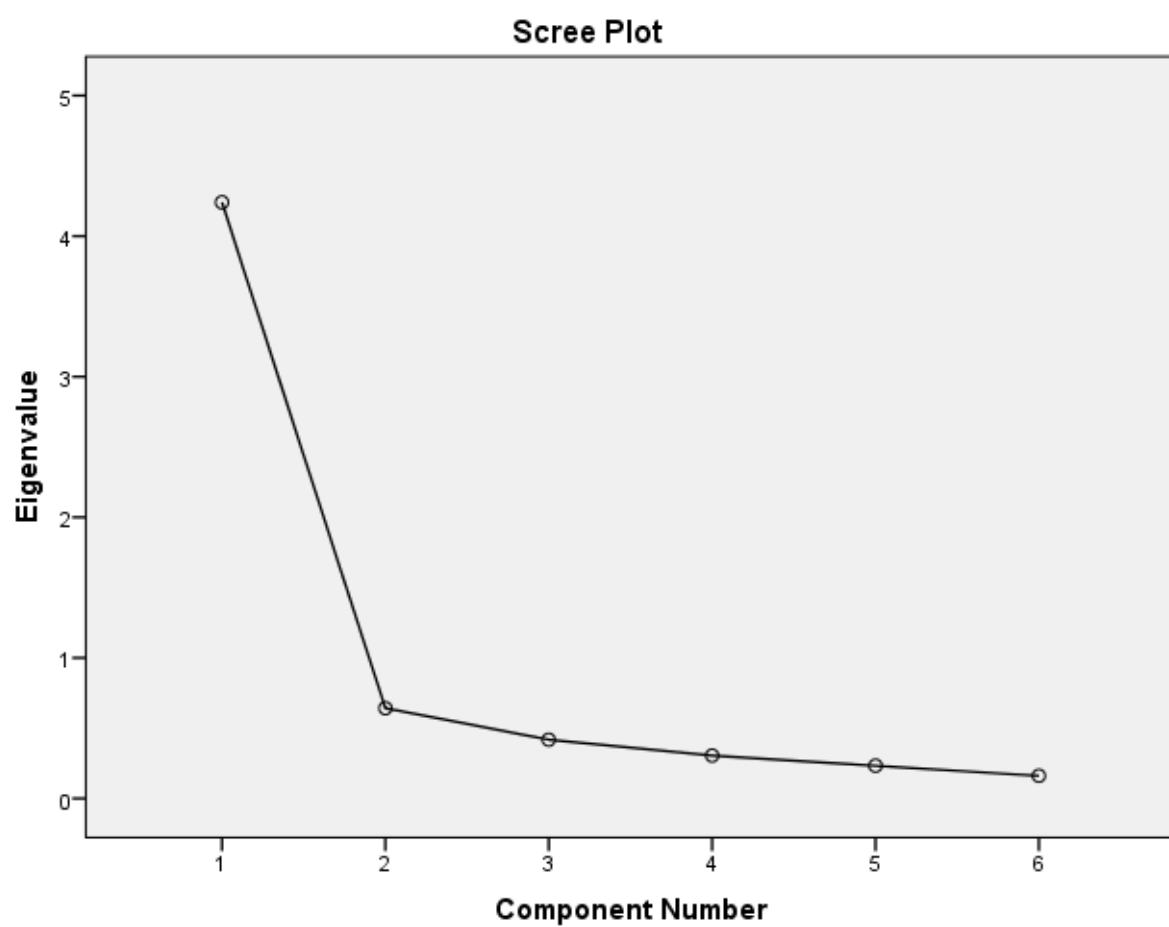
	Initial	Extraction
info reg engagement processes circulated to stkhs	1.000	.696
info reg engagement process made avlble to all stkhs	1.000	.672
Contact details for a relevant person are provided	1.000	.738
Accessibility to participation processes	1.000	.684
Stkhrs confidentiality during participation is guarded	1.000	.744
Disadvantaged groups Accessibility to participation	1.000	.706

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.241	70.675	70.675	4.241	70.675	70.675
2	.642	10.702	81.377			
3	.418	6.972	88.349			
4	.305	5.087	93.437			
5	.233	3.879	97.316			
6	.161	2.684	100.000			

Extraction Method: Principal Component Analysis.



Component Matrix^a

	Component
	1
Stkhrs confidentiality during participation is guarded	.862
Contact details for a relevant person are provided	.859
Disadvantaged groups Accessibility to participation	.840
info reg engagement processes circulated to stkhs	.834
Accessibility to participation processes	.827
info reg engagement process made avlble to all stkhs	.820

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Table: ... Comparison of the Actual Eigenvalues with the Parallel Analysis for Stakeholder engagement guidelines (SEG)

Component	Actual Eigenvalues from PCA	Criterion Value from Parallel Analysis	Decision
1	4.241	1.2074	Accept
2	.642	1.1144	Reject
3	.418	1.0323	Reject
4	.305	0.9669	Reject
5	.233	0.8851	Reject
6	.161	0.7940	Reject

Extraction Method: Principal Component Analysis.

Stakeholder Engagement Guidelines (SEG)		
Dimension	Scale items	Reliability
Stakeholder Engagement Guidelines	1. Information regarding engagement processes are circulated to key stakeholders in appropriate forms and through appropriate media	.917
	2. Information regarding engagement processes are made available to all stakeholders in appropriate forms and through appropriate media	
	3. Contact details for a relevant person in the organisation are provided	
	4. Key stakeholders are not prevented from participation processes due to lack of physical access, communication barriers (language or expert terms) or financial constraints	
	5. The confidentiality of stakeholders during an engagement process is guaranteed by the organisation where appropriate	
	6. Disadvantaged groups are given special support and encouragement when their engagement is appropriate	

3. Board Functions (BF):

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806
Approx. Chi-Square		1061.135
Bartlett's Test of Sphericity	df	66
	Sig.	.000

Communalities

	Initial	Extraction
Board involvement rate in Setting organisational M&Gs	1.000	.577
Board involvement rate in Setting executive's compen	1.000	.780
Board involvement rate in E&R budgets& FinObj	1.000	.692
Board involvement rate in Setting organisational object	1.000	.695
Board involvement rate in Rev Aud&Acc policies	1.000	.596
Board involvement rate in Approving financial transac	1.000	.371
Board involvement rate in Fundraising efforts	1.000	.705
Board involvement rate in Advocacy activities	1.000	.807
Board involvement rate in Setting program objectives	1.000	.649
Board involvement rate in Setting basic Mang policies	1.000	.747
Board involvement rate in Setting Prog Per Measures	1.000	.773
Board involvement rate in Setting staff compensation	1.000	.767

Extraction Method: Principal Component Analysis.

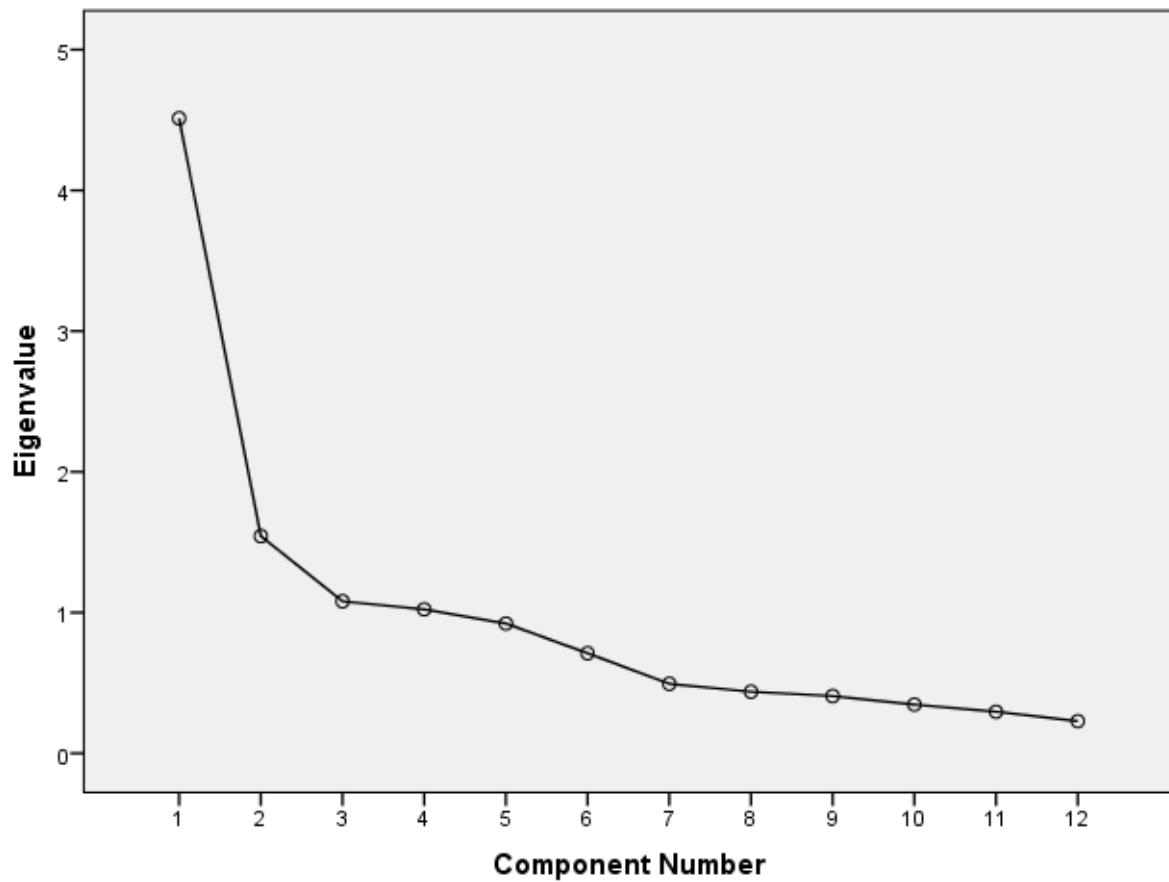
Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.512	37.603	37.603	4.512	37.603	37.603	3.657
2	1.543	12.862	50.465	1.543	12.862	50.465	3.054
3	1.080	9.001	59.466	1.080	9.001	59.466	1.919
4	1.023	8.524	67.990	1.023	8.524	67.990	2.174
5	.922	7.685	75.675				
6	.711	5.925	81.600				
7	.494	4.115	85.716				
8	.438	3.647	89.362				
9	.407	3.390	92.753				
10	.346	2.882	95.635				
11	.295	2.461	98.096				
12	.228	1.904	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Scree Plot



Component Matrix^a

	Component			
	1	2	3	4
Board involvement rate in Setting organisational object	.791			
Board involvement rate in E&R budgets& FinObj	.717			
Board involvement rate in Setting organisational M&Gs	.702			
Board involvement rate in Setting Prog Per Measures	.694	-.380		-.303
Board involvement rate in Setting basic Mang policies	.656	-.390	.337	
Board involvement rate in Setting program objectives	.649	-.396		
Board involvement rate in Rev Aud&Acc policies	.629		-.365	
Board involvement rate in Fundraising efforts	.539	-.365		.463
Board involvement rate in Approving financial transac	.512			
Board involvement rate in Setting executive's compen	.375	.655	.345	.301
Board involvement rate in Setting staff compensation	.463	.400	.587	
Board involvement rate in Advocacy activities	.491	-.344		.663

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Pattern Matrix^a

	Component			
	1	2	3	4
Board involvement rate in E&R budgets& FinObj	.816			
Board involvement rate in Rev Aud&Acc policies	.779			
Board involvement rate in Setting organisational object	.694			
Board involvement rate in Setting organisational M&Gs	.691			
Board involvement rate in Approving financial transac	.605			
Board involvement rate in Setting basic Mang policies		-.852		
Board involvement rate in Setting Prog Per Measures		-.835		
Board involvement rate in Setting program objectives		-.720		
Board involvement rate in Setting staff compensation			.847	
Board involvement rate in Setting executive's compen			.837	
Board involvement rate in Advocacy activities				.899
Board involvement rate in Fundraising efforts				.773

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Structure Matrix

	Component			
	1	2	3	4
Board involvement rate in E&R budgets& FinObj	.830	-.308	.310	
Board involvement rate in Setting organisational object	.804	-.506	.331	
Board involvement rate in Rev Aud&Acc policies	.758			.306
Board involvement rate in Setting organisational M&Gs	.747	-.409		
Board involvement rate in Approving financial transac	.602			
Board involvement rate in Setting Prog Per Measures	.440	-.870		
Board involvement rate in Setting basic Mang policies	.354	-.863		
Board involvement rate in Setting program objectives	.347	-.786		.422
Board involvement rate in Setting executive's compen	.357		.860	
Board involvement rate in Setting staff compensation		-.304	.856	
Board involvement rate in Advocacy activities		-.308		.892
Board involvement rate in Fundraising efforts	.361	-.348		.824

Extraction Method: Principal Component Analysis.
 Rotation Method: Oblimin with Kaiser Normalization.

Component Correlation Matrix

Component	1	2	3	4
1	1.000	-.390	.316	.300
2	-.390	1.000	-.153	-.332
3	.316	-.153	1.000	.088
4	.300	-.332	.088	1.000

Extraction Method: Principal Component Analysis.
 Rotation Method: Oblimin with Kaiser Normalization.

Table: ... Comparison of the Actual Eigenvalues with the Parallel Analysis for board functions (BF)

Component	Actual Eigenvalues from PCA	Criterion Value from Parallel Analysis	Decision
1	4.512	1.3722	Accept
2	1.543	1.2746	Accept
3	1.080	1.1984	Reject
4	1.023	1.1322	Reject
5	.922	1.0693	Reject
6	.711	1.0149	Reject
7	.494	0.9617	Reject
8	.438	0.9120	Reject
9	.407	0.8552	Reject
10	.346	0.7969	Reject
11	.295	0.7362	Reject
12	.228	0.6764	Reject

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.512	37.603	37.603	4.512	37.603	37.603	3.598
2	1.543	12.862	50.465	1.543	12.862	50.465	3.516
3	1.080	9.001	59.466				
4	1.023	8.524	67.990				
5	.922	7.685	75.675				
6	.711	5.925	81.600				
7	.494	4.115	85.716				
8	.438	3.647	89.362				
9	.407	3.390	92.753				
10	.346	2.882	95.635				
11	.295	2.461	98.096				
12	.228	1.904	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Component Matrix^a

	Component	
	1	2
Board involvement rate in Setting organisational object	.791	
Board involvement rate in E&R budgets& FinObj	.717	
Board involvement rate in Setting organisational M&Gs	.702	
Board involvement rate in Setting Prog Per Measures	.694	-.380
Board involvement rate in Setting basic Mang policies	.656	-.390
Board involvement rate in Setting program objectives	.649	-.396
Board involvement rate in Rev Aud&Acc policies	.629	
Board involvement rate in Fundraising efforts	.539	-.365
Board involvement rate in Approving financial transac	.512	
Board involvement rate in Advocacy activities	.491	-.344
Board involvement rate in Setting staff compensation	.463	.400
Board involvement rate in Setting executive's compen	.375	.655

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Pattern Matrix^a

	Component	
	1	2
Board involvement rate in Setting Prog Per Measures	.762	
Board involvement rate in Setting program objectives	.748	
Board involvement rate in Setting basic Mang policies	.747	
Board involvement rate in Fundraising efforts	.652	
Board involvement rate in Advocacy activities	.604	
Board involvement rate in Setting executive's compen	-.339	.806
Board involvement rate in E&R budgets& FinObj		.692
Board involvement rate in Setting staff compensation		.632
Board involvement rate in Setting organisational object	.346	.617
Board involvement rate in Rev Aud&Acc policies		.603
Board involvement rate in Setting organisational M&Gs	.326	.529
Board involvement rate in Approving financial transac		.504

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 10 iterations.

Structure Matrix

	Component	
	1	2
Board involvement rate in Setting Prog Per Measures	.788	.345
Board involvement rate in Setting basic Mang policies	.762	.309
Board involvement rate in Setting program objectives	.759	
Board involvement rate in Fundraising efforts	.651	
Board involvement rate in Advocacy activities	.599	
Board involvement rate in E&R budgets& FinObj	.431	.758
Board involvement rate in Setting organisational object	.566	.741
Board involvement rate in Setting executive's compen		.685
Board involvement rate in Rev Aud&Acc policies	.381	.662
Board involvement rate in Setting organisational M&Gs	.515	.645
Board involvement rate in Setting staff compensation		.609
Board involvement rate in Approving financial transac	.301	.548

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

Component Correlation Matrix

Component	1	2
1	1.000	.356
2	.356	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.

Reliability analysis for board Functions scale

Board Functions 1		
Dimension	Scale items	Reliability
Strategic model	1. Setting organisational missions and goals	.783
	2. Setting executive's compensation	
	3. Setting staff compensation	
	4. Establishing / reviewing budgets and financial objectives	
	5. Setting organisational objectives	
	6. Reviewing auditing and accounting policies and practices	
	7. Approving significant financial transactions	
Board Functions 2		
Dimension	Scale items	Reliability
Managerial model	1. Fundraising efforts	.774
	2. Advocacy activities	
	3. Setting programme objectives	
	4. Setting basic management policies	
	5. Setting programme performance measures	

Correlation and Regression analysis

Table.... presents the independent and dependent variables involved in the regression analysis

Variables	Type	Question number in the survey	Valid cases and (percentage)	Missing cases and (percentage)
The independent variables of formality				
The existence of code of board standards	y/n	Q8	250 (100%)	0 (0%)
The existence of policy on transparency	y/n	Q15a	247 (98.8%)	3 (1.2%)
The existence of policy on stakeholder engagement.	y/n	Q15b	245 (98%)	5 (2%)
Transparency Guidelines (TRG)	cont	Q17	246 (98.4%)	4 (1.6%)
Stakeholder Engagement Guidelines (SEG) adapted from Blagescu et.al., 2005	scale	Q22	244 (97.6%)	6 (2.4%)
Other independent variables				
NGO age	cont	Q3	249 (99.6%)	1 (0.4%)
NGO size of annual budget	cont	Q4	239 (95.6%)	11 (4.4%)
Affiliation with a wider network	y/n	Q7	250 (100%)	0 (0%)
Board size (number of members)	cont	Q6	249 (99.6%)	1 (0.4%)
Number of committees	cont	Q13	249 (99.6%)	1 (0.4%)
Board functions (BF) adapted from Salamon and Geller, 2005	scale	Q11	241 (96.4%)	9 (3.6%)
Dependent variables				
Transparency scale (TR) adapted from Neligan, 2003	scale	Q18	245(98%)	5 (2%)
Stakeholder Engagement (SE) adapted from Blagescu et.al. 2005	scale	Qs 19,20, and 21	242 (96.8%)	8 (3.2)

Formality

Examining the contribution of the independent variable of formality to the two models of accountability namely stakeholder engagement (SE) and transparency (TR).

Correlation Analysis

	1	2	3	4	5	6	7
Level of stakeholder engagement scale (LSE)	1.000						
Level of transparency scale (LETR)	.368**	1.000					
Participation process guideline scale (PPG)	.607**	.543**	1.000				
the existence of engagement policy	.260**	.373**	.337**	1.000			
the existence of transparency policy	.127*	.184**	.253**	.545**	1.000		
Transparency process guideline (TPG)	.302**	.382**	.392**	.352**	.369**	1.000	
Board adheres to a code of standards	.164*	.126*	.184**	.163*	.230**	.093	1.000

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

Model 1: level of stakeholder engagement in the decision-making process

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 ^a	.385	.371	3.07261

a. Predictors: (Constant), Board adheres to a code of standards, TPG, the existence of engagement policy, PPG, the existence of transparency policy.

b. Dependent Variable: LSE

Coefficients^a

Variable	Beta	T value	Sig. Of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		3.831	.000		
Participation process guideline (PPG)	.559	9.660	.000	.787	1.271
the existence of transparency policy	-.110	-1.732	.085	.648	1.542
the existence of engagement policy	.091	1.428	.155	.650	1.537
Transparency process guideline (TPG)	.085	1.447	.149	.756	1.323
Board adheres to a code of standards	.064	1.209	.228	.928	1.077

a. Dependent Variable: Level of stakeholder engagement in decision-making process (LSE)

Casewise Diagnostics^a

Case Number	Std. Residual	LSE	Predicted Value	Residual
60	-3.344	.00	10.2738	-10.27376
83	-3.029	5.00	14.3068	-9.30677
126	-3.416	.00	10.4953	-10.49533

a. Dependent Variable: LSE

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4.8974	14.7414	11.4994	2.36329	240
Std. Predicted Value	-2.730	1.366	.017	.983	240
Standard Error of Predicted Value	.232	1.055	.440	.187	240
Adjusted Predicted Value	5.2967	14.7999	11.5307	2.33935	238
Residual	-10.49533	6.75925	.02039	3.00971	238
Std. Residual	-3.416	2.200	.007	.980	238
Stud. Residual	-3.486	2.243	.006	.994	238
Deleted Residual	-10.93021	7.02882	.01547	3.09838	238
Stud. Deleted Residual	-3.572	2.263	.004	1.001	238
Mahal. Distance	.370	27.155	4.772	5.217	240
Cook's Distance	.000	.084	.005	.011	238
Centered Leverage Value	.002	.114	.020	.022	240

a. Dependent Variable: LSE

Model 2: Level of transparency LETR

Model	Beta	T value	Sig. Of T.	Collinearity Statistics	
				Tolerance	VIF
(Constant)		10.342	.000		
Total level of engagementQ22	.422	7.194	.000	.787	1.271
the existence of transparency policy	-.119	-1.843	.067	.648	1.542
the existence of engagement policy	.230	3.563	.000	.650	1.537
total number of areas highlighted by transparency policy Q17	.178	2.975	.003	.756	1.323
Board adheres to a code of standards	.022	.404	.686	.928	1.077

a. Dependent Variable: Level of transparency (LETR)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603 ^a	.364	.350	4.18740

a. Predictors: (Constant), Board adheres to a code of standards, TPG, the existence of engagement policy, PPG, the existence of transparency policy

b. Dependent Variable: LETR

Board Roles and Responsibilities

This section is to answer the following research question:

What is the relationship between board roles and responsibilities and NGO's accountability?

And how well is accountability explained by board roles and responsibilities variables?

Correlation

	1	2	3	4
Level of stakeholder engagement (LSE)	1.000	.368**	.028	.017
Level of Transparency (LETR)	.368**	1.000	.163*	.174**
Board roles 1 (managerial model) 5items	.028	.163*	1.000	.480**
Board roles 2 (strategic model) 7items	.017	.174**	.480**	1.000

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Regression analysis

Dependent variable Level of stakeholder participation in decision-making process (LSE)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.028 ^a	.001	-.008	3.89107

a. Predictors: (Constant), Board roles1 (managerial model), Board roles2 (strategic model).

b. Dependent Variable: LSE

Model	Beta	T value	Sig. Of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		7.763	.000		
Board roles1 (managerial model)	.025	.334	.738	.769	1.300
Board roles2 (strategic model)	.005	.067	.946	.769	1.300

a. Dependent Variable: Level of stakeholder engagement (LSE)

Model2 dependent variable: level of transparency (LETR)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196 ^a	.038	.030	5.11664

a. Predictors: (Constant), Board roles1 (managerial model), Board roles2 (strategic model). b. Dependent Variable: Level of transparency.

Model	Beta	T. value	Sig. Of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		9.581	.000		
Board roles1 (managerial model)	.104	1.412	.159	.769	1.300
Board roles2 (strategic model)	.124	1.683	.094	.769	1.300

Dependent Variable: Level of transparency

Board structure

This section is to answer the following research question:

What is the relationship between board structure and NGO's accountability? And how well is accountability explained by board structure variables?

Correlation

	1	2	3	4
Level of stakeholder engagement (LSE)	1.000			
Level of transparency (LETR)	.368**	1.000		
Number of committees	.149*	.248**	1.000	
Board size	.048	.084	.356**	1.000

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Regression analysis

Dependent variable: LSE

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.149 ^a	.022	.014	3.84848

a. Predictors: (Constant), Board size, Number of committees. b. Dependent Variable: LSE

Coefficients^a

Model	Beta	T. value	Sig. of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		15.878	.000		
Number of committees	.151	2.204	.028	.873	1.145
Board size	-.006	-.092	.927	.873	1.145

a. Dependent Variable: Level of stakeholder engagement in the decision-making process (LSE)

Dependent variable: LETR

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.248 ^a	.062	.054	5.05360

a. Predictors: (Constant), Board size, Number of committees

b. Dependent Variable: Level of transparency (LETR)

Coefficients^a

Model	Beta	T. value	Sig. of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		24.193	.000		
Number of committees	.250	3.745	.000	.873	1.145
Board size	-.005	-.074	.941	.873	1.145

a. Dependent Variable: Level of transparency (LETR)

Organisational characteristics of an NGO

This section is to answer the following research question:

What is the relationship between organisational characteristics and NGO's accountability? And how well is accountability explained by the variables which represent NGO characteristics?

	1	2	3	4	5
LSE	1.000				
LETR	.368**	1.000			
NGO Age	-.057	.000	1.000		
Annual income	-.060	-.030	.222**	1.000	
NGO affiliated within an umbrella group	.092	.080	.038	-.154*	1.000

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Regression analysis

Dependent variable: LSE

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.115 ^a	.013	.000	3.87552

a. Predictors: (Constant), NGO affiliated within an umbrella group, NGO Age, Annual income

b. Dependent Variable: LSE

Model	Beta	T. value	Sig. of T.	Collinearity Statistics	
				Tolerance	VIF
(Constant)		21.066	.000		
The NGO Age	-.052	-.771	.441	.945	1.058
Total Income £000'	-.035	-.507	.613	.924	1.082
NGO affiliated within an umbrella group	.088	1.319	.188	.971	1.030

a. Dependent Variable: LSE

Dependent variable: LETR

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.082 ^a	.007	-.006	5.21175

a. Predictors: (Constant), NGO affiliated within an umbrella group, NGO Age, Annual income

b. Dependent Variable: LETR

Coefficients^a

Model	Beta	T. value	Sig. of T	Collinearity Statistics	
				Tolerance	VIF
(Constant)		30.910	.000		
The NGO Age	.000	.007	.994	.945	1.058
Total Income £000'	-.018	-.270	.788	.924	1.082
NGO affiliated within an umbrella group	.077	1.155	.249	.971	1.030

a. Dependent Variable: LETR

Regression analysis part two

The combined model of accountability (total score of the two dimensions of SE and TR)

Independent variables

1. Formality:

Descriptive Statistics

	Mean	Std. Deviation	N
Combinedmodel	34.5372	7.50772	242
the existence of transparency policy	.8785	.32732	247
the existence of engagement policy	.7755	.41810	245
total number transparency guidelines Q17	3.0528	2.27884	246
Stakeholder engagement guidelines Q22	22.2305	7.22058	243
Board adheres to a code of standards	.94	.230	250

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.721 ^a	.520	.510	5.25746

a. Predictors: (Constant), Board adheres to a code of standards, total number transparency guidelines Q17, the existence of engagement policy, Stakeholder engagement guidelines Q22, the existence of transparency policy

b. Dependent Variable: Combinedmodel

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7003.458	5	1400.692	50.675	.000 ^a
	Residual	6467.976	234	27.641		
	Total	13471.434	239			

a. Predictors: (Constant), Board adheres to a code of standards, total number transparency guidelines Q17, the existence of engagement policy, Stakeholder engagement guidelines Q22, the existence of transparency policy

b. Dependent Variable: Combinedmodel

Correlations

		Combinedmodel	the existence of transparency policy	the existence of engagement policy	total number transparency guidelines Q17	Stakeholder engagement guidelines Q22	Board adheres to a code of standards
Pearson Correlation	Combinedmodel	1.000	.178	.383	.412	.682	.148
	the existence of transparency policy	.178	1.000	.545	.369	.253	.230
	the existence of engagement policy	.383	.545	1.000	.352	.337	.163
	total number transparency guidelines Q17	.412	.369	.352	1.000	.392	.093
	Stakeholder engagement guidelines Q22	.682	.253	.337	.392	1.000	.184
	Board adheres to a code of standards	.148	.230	.163	.093	.184	1.000
Sig. (1- tailed)	Combinedmodel	.	.003	.000	.000	.000	.011
	the existence of transparency policy	.003	.	.000	.000	.000	.000
	the existence of engagement policy	.000	.000	.	.000	.000	.005
	total number transparency guidelines Q17	.000	.000	.000	.	.000	.072
	stakeholder engagement guidelines Q22	.000	.000	.000	.000	.	.002
	Board adheres to a code of standards	.011	.000	.005	.072	.002	.
N	Combinedmodel	242	242	240	241	241	242
	the existence of transparency policy	242	247	245	246	243	247
	the existence of engagement policy	240	245	245	244	241	245
	total number transparency guidelines Q17	241	246	244	246	242	246
	Stakeholder engagement guidelines Q22	241	243	241	242	243	243
	Board adheres to a code of standards	242	247	245	246	243	250

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	18.769	1.708		10.991	.000	15.405	22.133					
the existence of transparency policy	-3.401	1.290	-.148	-2.636	.009	-5.943	-.859	.178	-.170	-.119	.648	1.542
the existence of engagement policy	3.702	1.009	.206	3.671	.000	1.715	5.689	.383	.233	.166	.650	1.537
T number of transparency guidelines	.542	.172	.165	3.160	.002	.204	.881	.412	.202	.143	.756	1.323
Stakeholder engagement guidelines	.603	.053	.580	11.360	.000	.499	.708	.682	.596	.515	.787	1.271
Board adheres to a code of standards	.868	1.532	.027	.567	.572	-2.150	3.886	.148	.037	.026	.928	1.077

a. Dependent Variable: Combinedmodel

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	the existence of transparency policy	the existence of engagement policy	total number transparency guidelines Q17	Stakeholder engagement guidelines Q22	Board adheres to a code of standards
1	1	5.428	1.000	.00	.00	.00	.01	.00	.00
	2	.265	4.523	.01	.00	.00	.80	.00	.02
	3	.154	5.930	.02	.02	.66	.08	.03	.03
	4	.074	8.563	.00	.51	.15	.01	.42	.01
	5	.052	10.221	.02	.44	.18	.09	.44	.29
	6	.026	14.361	.94	.02	.01	.01	.11	.64

a. Dependent Variable: Combinedmodel

Casewise Diagnostics^a

Case Number	Std. Residual	Combinedmodel	Predicted Value	Residual
28	3.082	40.00	23.7987	16.20134
60	-3.504	14.00	32.4234	-18.42344
138	-3.485	10.00	28.3226	-18.32263
159	-3.946	20.00	40.7466	-20.74661

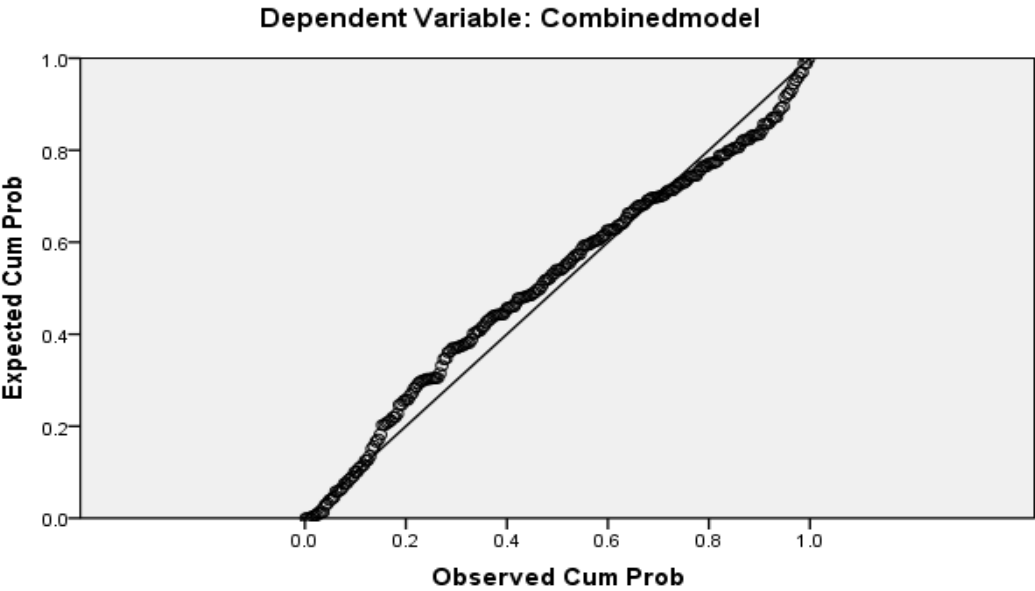
a. Dependent Variable: Combinedmodel

Residuals Statistics^a

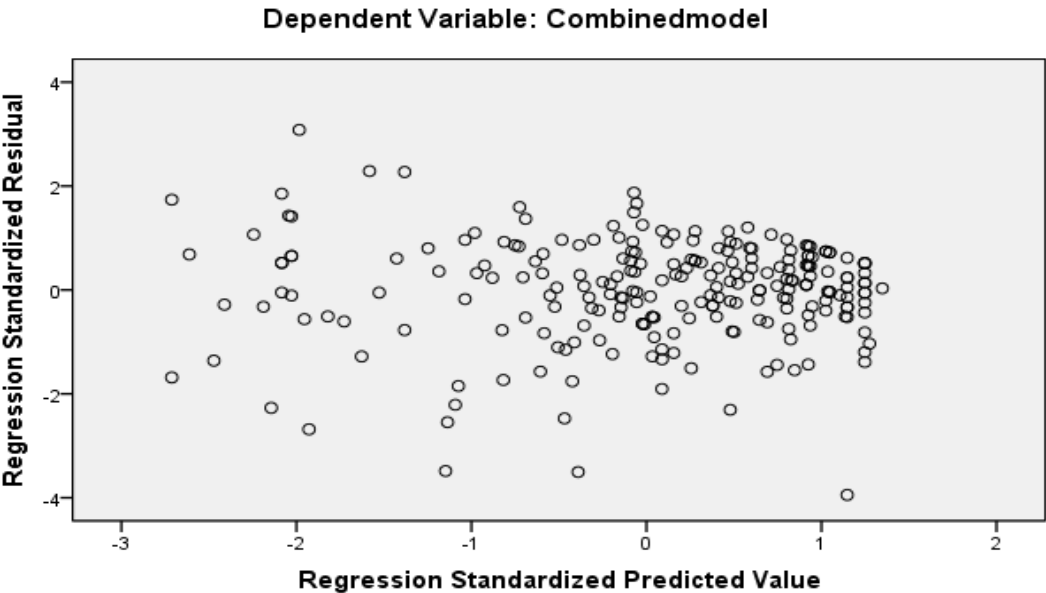
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	19.8556	41.8315	34.6128	5.32590	240
Std. Predicted Value	-2.712	1.347	.014	.984	240
Standard Error of Predicted Value	.397	1.804	.752	.319	240
Adjusted Predicted Value	19.4029	41.8643	34.6806	5.30270	238
Residual	-20.74661	16.20134	-.06054	5.19376	238
Std. Residual	-3.946	3.082	-.012	.988	238
Stud. Residual	-3.966	3.166	-.012	1.002	238
Deleted Residual	-20.95601	17.10361	-.06717	5.34569	238
Stud. Deleted Residual	-4.098	3.229	-.014	1.011	238
Mahal. Distance	.370	27.155	4.772	5.217	240
Cook's Distance	.000	.099	.005	.012	238
Centered Leverage Value	.002	.114	.020	.022	240

a. Dependent Variable: Combinedmodel

Normal P-P Plot of Regression Standardized Residual



Scatterplot



2. Board functions

Descriptive Statistics

	Mean	Std. Deviation	N
Combinedmodel	34.5372	7.50772	242
Board involvement in managerial activities scale	13.7004	4.33342	237
strategic modle7items without advocacy and fund raising	27.6942	5.10039	242

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.168 ^a	.028	.020	7.43333

a. Predictors: (Constant), strategic modle7items without advocacy and fund raising, Board involvement in managerial activities scale

b. Dependent Variable: Combinedmodel

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	367.236	2	183.618	3.323	.038 ^a
	Residual	12653.271	229	55.254		
	Total	13020.507	231			

a. Predictors: (Constant), strategic modle7items without advocacy and fund raising, Board involvement in managerial activities scale

b. Dependent Variable: Combinedmodel

Correlations

		Combinedmode 1	managerial model 5 items	strategic model 7 items
Pearson Correlati on	Combinedmodel	1.000	.140	.148
	Board involvement in managerial activities scale	.140	1.000	.480
	strategic modle7items without advocacy and fund raising	.148	.480	1.000
Sig. (1- tailed)	Combinedmodel	.	.016	.011
	Board involvement in managerial activities scale	.016	.	.000
	strategic modle7items without advocacy and fund raising	.011	.000	.
N	Combinedmodel	242	232	236
	Board involvement in managerial activities scale	232	237	235
	strategic modle7items without advocacy and fund raising	236	235	242

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	28.116	2.718		10.346	.000	22.761	33.471					
Managerial model 5 items	.155	.129	.090	1.207	.229	-.098	.409	.140	.080	.079	.769	1.300
Strategic model 7 items	.155	.109	.105	1.418	.158	-.060	.370	.148	.093	.092	.769	1.300

a. Dependent Variable: Combinedmodel

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Managerial model 5 items	Strategic model 7items
1	1	2.934	1.000	.00	.01	.00
	2	.050	7.629	.18	.90	.04
	3	.015	13.808	.82	.09	.96

a. Dependent Variable: Combinedmodel

Casewise Diagnostics^a

Case Number	Std. Residual	Combinedmode 1	Predicted Value	Residual
138	-3.460	10.00	35.7183	-25.71828
192	-3.117	11.00	34.1664	-23.16644
203	-3.325	11.00	35.7176	-24.71759

a. Dependent Variable: Combinedmodel

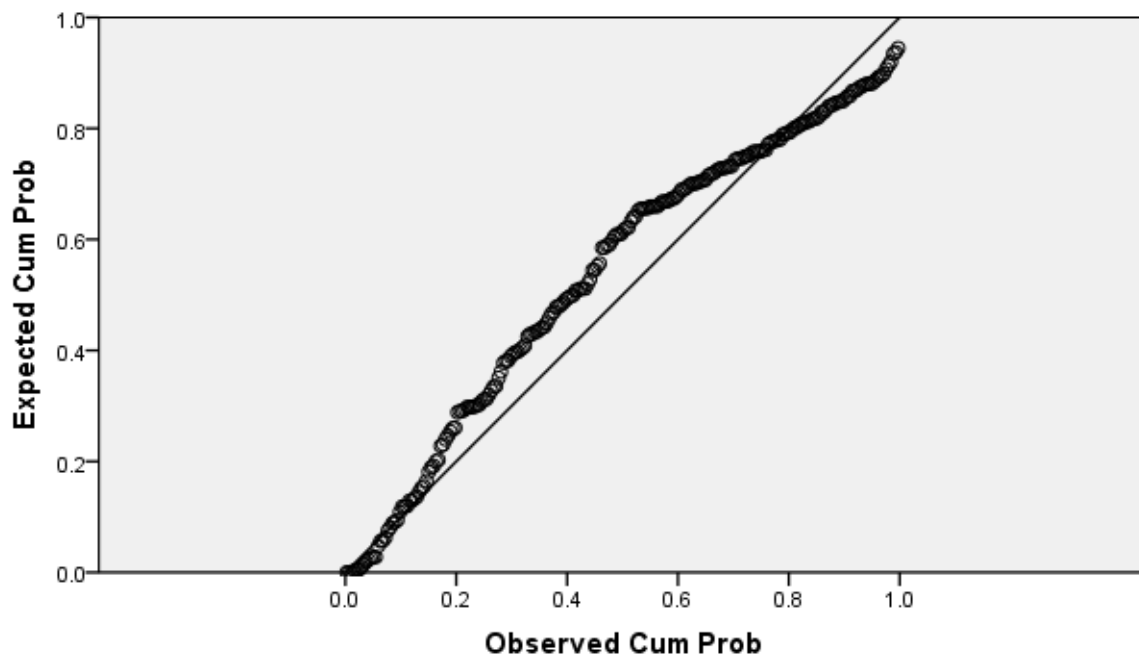
Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	29.9777	37.4251	34.5360	1.26292	235
Residual	-25.71828	11.85147	.30389	7.10957	230
Std. Predicted Value	-3.616	2.290	-.001	1.002	235
Std. Residual	-3.460	1.594	.041	.956	230

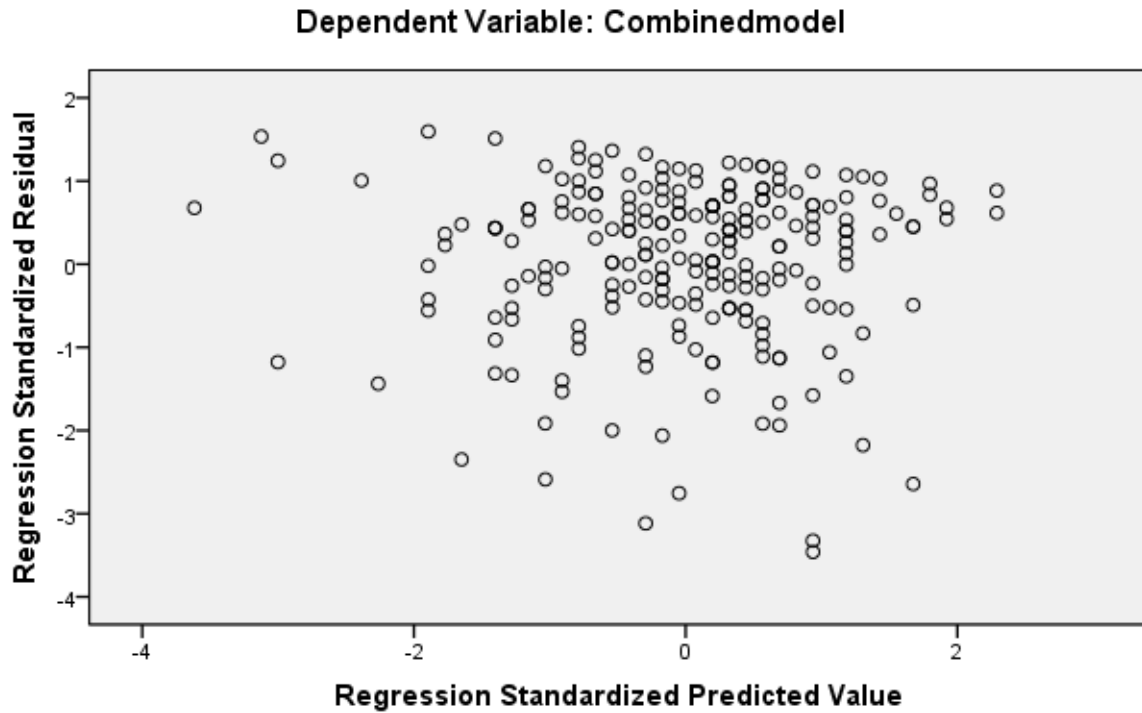
a. Dependent Variable: Combinedmodel

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Combinedmodel



Scatterplot



3. Board structure

Descriptive Statistics

	Mean	Std. Deviation	N
Combinedmodel	34.5372	7.50772	242
Number of Board Members	9.43	3.937	249
Total number of committees boards have Q13	2.0482	1.34318	249

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.237 ^a	.056	.048	7.32349

a. Predictors: (Constant), Total number of committees boards have Q13, Number of Board Members

b. Dependent Variable: Combinedmodel

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	763.034	2	381.517	7.113	.001 ^a
Residual	12764.766	238	53.633		
Total	13527.799	240			

a. Predictors: (Constant), Total number of committees boards have Q13, Number of Board Members

b. Dependent Variable: Combinedmodel

Correlations

		Combinedmode 1	Number of Board Members	Total number of committees boards have Q13
Pearson Correlation	Combinedmodel	1.000	.075	.237
	Number of Board Members	.075	1.000	.356
	Total number of committees boards have Q13	.237	.356	1.000
Sig. (1-tailed)	Combinedmodel	.	.123	.000
	Number of Board Members	.123	.	.000
	Total number of committees boards have Q13	.000	.000	.
N	Combinedmodel	242	241	242
	Number of Board Members	241	249	248
	Total number of committees boards have Q13	242	248	249

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	31.974	1.273		25.112	.000	29.466	34.482					
Number of Board Members	-.021	.129	-.011	-.163	.870	-.274	.232	.075	-.011	-.010	.873	1.145
Total number of committees boards have Q13	1.348	.377	.241	3.579	.000	.606	2.090	.237	.226	.225	.873	1.145

a. Dependent Variable: Combinedmodel

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Number of Board Members	Total number of committees boards have Q13
1	1	2.739	1.000	.02	.02	.03
	2	.185	3.851	.14	.09	.96
	3	.076	5.984	.84	.89	.01

a. Dependent Variable: Combinedmodel

Casewise Diagnostics^a

Case Number	Std. Residual	Combinedmodel	Predicted Value	Residual
203	-3.037	11.00	33.2381	-22.23814
247	-3.346	10.00	34.5023	-24.50232

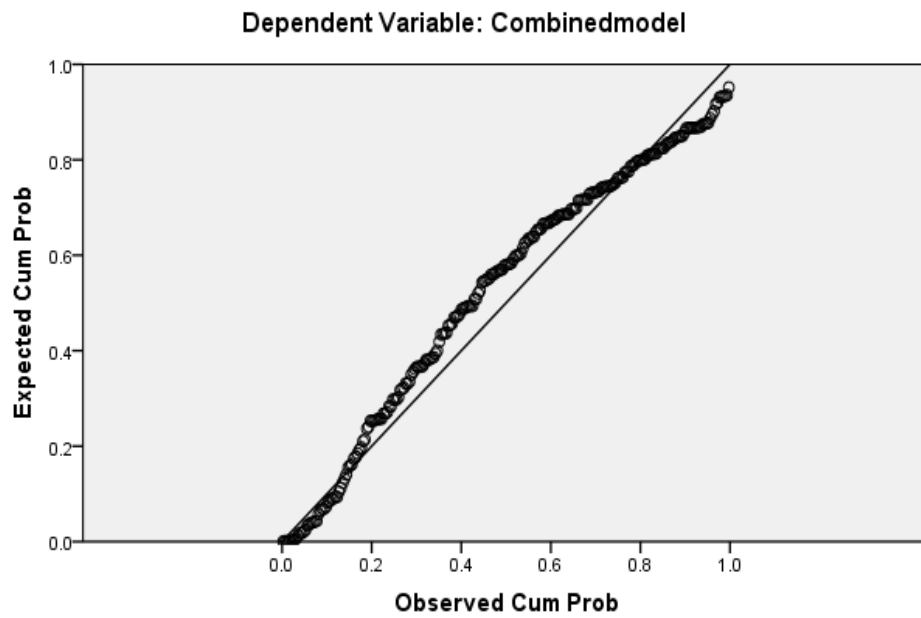
a. Dependent Variable: Combinedmodel

Residuals Statistics^a

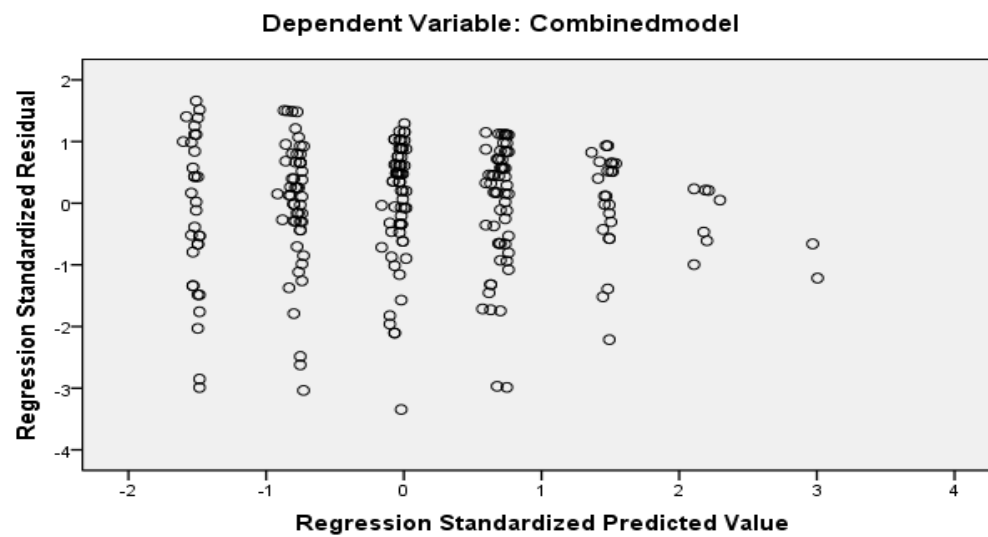
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	31.6800	39.8950	34.5322	1.78485	248
Residual	-24.50233	12.15203	-.05756	7.30333	241
Std. Predicted Value	-1.602	3.005	-.003	1.001	248
Std. Residual	-3.346	1.659	-.008	.997	241

a. Dependent Variable: Combinedmodel

Normal P-P Plot of Regression Standardized Residual



Scatterplot



4. Organisational structure

Descriptive Statistics

	Mean	Std. Deviation	N
Combinedmodel	34.5372	7.50772	242
The NGO Age	26.50	15.531	249
Total Income £000'	1777666.63	2581176.569	239
NGO affiliated within an umbrella group	.40	.490	250

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.106 ^a	.011	-.002	7.51457

a. Predictors: (Constant), NGO affiliated within an umbrella group, The NGO Age, Total Income £000'

b. Dependent Variable: Combinedmodel

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.724	3	48.575	.860	.462 ^a
	Residual	12818.417	227	56.469		
	Total	12964.141	230			

a. Predictors: (Constant), NGO affiliated within an umbrella group, The NGO Age, Total Income £000'

b. Dependent Variable: Combinedmodel

Correlations

		Combinedmode 1	The NGO Age	Total Income £000'	NGO affiliated within an umbrella group
Pearson Correlation	Combinedmodel	1.000	-.033	-.057	.093
	The NGO Age	-.033	1.000	.222	.038
	Total Income £000'	-.057	.222	1.000	-.154
	NGO affiliated within an umbrella group	.093	.038	-.154	1.000
Sig. (1-tailed)	Combinedmodel	.	.303	.196	.075
	The NGO Age	.303	.	.000	.276
	Total Income £000'	.196	.000	.	.009
	NGO affiliated within an umbrella group	.075	.276	.009	.
N	Combinedmodel	242	241	231	242
	The NGO Age	241	249	238	249
	Total Income £000'	231	238	239	239
	NGO affiliated within an umbrella group	242	249	239	250

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	34.556	1.070		32.306	.000	32.448	36.664					
The NGO Age	-.014	.033	-.028	-.420	.675	-.078	.051	-.033	-.028	-.028	.945	1.058
Total Income £000'	.000	.000	-.037	-.535	.593	.000	.000	-.057	-.035	-.035	.924	1.082
NGO affiliated within an umbrella group	1.354	1.026	.088	1.319	.188	-.668	3.376	.093	.087	.087	.971	1.030

a. Dependent Variable: Combinedmodel

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	The NGO Age	Total Income £000'	NGO affiliated within an umbrella group
1	1	2.769	1.000	.02	.03	.04	.04
	2	.744	1.929	.00	.00	.44	.37
	3	.356	2.790	.08	.17	.52	.53
	4	.131	4.593	.90	.80	.00	.06

a. Dependent Variable: Combinedmodel

Casewise Diagnostics^a

Case Number	Std. Residual	Combinedmodel	Predicted Value	Residual
138	-3.250	10.00	34.4199	-24.41991
192	-3.047	11.00	33.8938	-22.89375
203	-3.088	11.00	34.2055	-23.20547
247	-3.377	10.00	35.3772	-25.37724

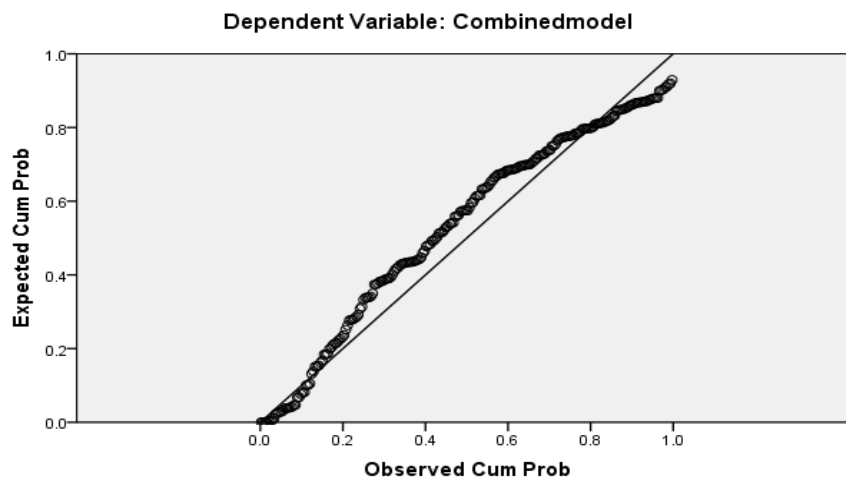
a. Dependent Variable: Combinedmodel

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	32.5307	35.8116	34.5353	.79749	238
Residual	-25.37724	11.03730	.08236	7.39224	230
Std. Predicted Value	-2.521	1.601	-.002	1.002	238
Std. Residual	-3.377	1.469	.011	.984	230

a. Dependent Variable: Combinedmodel

Normal P-P Plot of Regression Standardized Residual



Scatterplot

